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# Creating an Authentic Sustainable Brand

Case Companies H&M Group and Marimekko

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<p>This thesis studied the marketing components that make an authentic sustainable brand image by reviewing two case companies, H&amp;M Group and Marimekko. The purpose of the thesis was to answer the main research question ‘how can a company generate an authentic sustainable brand image’ and the sub question ‘how has consumers’ purchasing behaviour changed to be more sustainable’.</p> <p>The research was conducted applying secondary data collection and case study methods. The literature review examined basic marketing theory connected to sustainability in marketing and as a part of brand image. The theory was then applied to the case companies in order to find out how they were implementing sustainability in their operations, communications and brand image. In order to understand the relevance of the study, consumers’ changing views and attitudes towards sustainability and their purchasing behaviour were also reviewed.</p> <p>The research indicated that authentically sustainable brands are driven by consumer trust, which stems from transparency, sustainable values and aligning brand promises with actions. The study also reveals a change of consumer behaviour towards more sustainable in the recent years. The results of the case study revealed that although both of the case companies have sustainability in their core values, they still have to improve in order to be fully considered authentically sustainable brands. H&amp;M Group was found a potential pioneer to making the fast fashion –industry more sustainable, and Marimekko was discovered moving towards to having an authentic sustainable brand image.</p>	
Keywords	Sustainability, changing consumer behaviour, sustainable brand image, H&M Group, Marimekko

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## 1 Introduction

Climate change and sustainable ideologies have been recognised as important factors in the business environment for decades, however it seems consumers and companies have only realised the opportunities and threats in the last few years. Studies (IBM Corporation 2020; Nielsen 2015) show changing consumer behaviour and attitude towards climate in the recent years, as especially the younger generation is demanding more sustainability and transparency throughout the value chain. Furthermore, consumers are becoming more aware of the environmental issues of different industries, such as the fashion and textile industry, which accounts for more greenhouse gas emissions than international flights and maritime combined (Ellen MacArthur Foundation 2017: 20). In addition, the industry is the second-largest water consumer and the dyeing of textiles contributes as the second-largest polluter of oceans, making the fashion industry all in all responsible for 20 percent of the pollution of oceans (McFall-Johnsen 2019; Ellen MacArthur Foundation, 2017: 21).

The Ellen MacArthur Foundation (2017: 18) study shows how clothes were bought almost twice as much in 2015 compared to 2000, yet worn almost twice as less (see Appendix 1). The study also claims that more than half of fast fashion items are disposed in less than a year from buying. Fast fashion refers to clothing that is produced with a quick turnaround of styles and multiple collections per year, usually for low prices (Ellen MacArthur Foundation 2017: 18). Niinimäki states that although it is not trendy to buy cheap fast fashion clothes anymore, people still do as it takes time for consumer behaviour to change even as attitudes have changed (Hiilamo 2019). The demands for the industry have changed in the past decade, for example it was common for fashion industry to keep their supplier information a secret for a long time, and only after the catastrophe in Rana Plaza in 2013 many fashion companies were pressured into publishing where their textiles are manufactured and produced (Paton & Maheshwari 2019). According to Paton and Maheshwari, the accident generated a lot of attention and had a big impact on the changing consumer opinions about fast fashion companies, which are known for producing most of their clothes in low cost countries.

The thesis will look into two case examples, the Swedish retail company Hennes & Mauritz (H&M) Group and the Finnish brand Marimekko (see Appendix 2 & 3 for company introductions). The case companies are both dedicated to sustainable values and

have released sustainability strategies and reports that promise changes in their production, innovations for new sustainable materials and transparency throughout their value chains (H&M Group 2020e; Marimekko 2019a). H&M Group is the second-largest retail company in the world after Inditex, and produces about three billion items annually (Biondi 2018). H&M Group is a fast fashion company as it offers multiple collections a year of the most recent trends for cheap prices, however it is attempting to be perceived as the pioneer of change in the fast fashion industry towards sustainable operations (Biondi 2018; Samaha 2018). The company has promised to use only sustainably sourced cotton by 2020, only sustainably sourced or recycled materials by 2030 and to be 100 percent climate positive by 2040 (Samaha 2018). Marimekko, according to the brand, is seen as a quality brand that does not follow trends but stays true to its own style and patterns (Marimekko 2020c). Making sustainable design has always been in the core of the company, however it has also made strategic changes to become more cost-effective for example by moving its operations from Finland to Asia and other parts of Europe (Laitinen 2013). Furthermore, Marimekko's new strategy has included more international expansion and commercialising the brand (Alahuhta-Kasko 2019).

Before further evaluating the case companies in the research results –section, the thesis will cover the theory behind the results in the following literature review. The literature review begins from the basics of marketing and presents the foundation of the theory that will be developed into sustainability in marketing and as a part of a brand image. The thesis will then move forward to the research methods, purpose and reliability of the thesis in the research methodology –chapter. Later, the theory will be implemented in the case study companies in order to see how they are incorporating sustainability in their operations, communications and ultimately in their brand image. The objective of the research is to answer the main thesis question 'how can a company generate an authentic sustainable brand image' and the sub thesis question 'how has consumers' purchasing behaviour changed to be more sustainable'.

## 2 Literature review

The literature review will cover the marketing theory before reviewing the case examples H&M Group and Marimekko and how authentic and sustainable their brand images are in the research results –section. Sustainability can be defined with the two following quotes:

Sustainability has been defined as economic development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs (Epstein & Buhovac 2014: 23).

— to maintain or prolong both environmental and human health and is simply good management. It means the movement towards the use of renewable rather than finite raw materials, minimization and eventual elimination of polluting effluents and toxic or hazardous wastes. It places a moral obligation on firms involved with the exploitation of natural resources to investigate renewable and sustainable alternatives (Charter, Peattie, Ottman & Polonsky 2002: 10).

In order to research the sustainability of a brand and how an authentic sustainable brand can be generated, one must first look into the aspects of marketing basics that give a base for the thesis. The following sections will cover how sustainability became important to consumers and an important part of branding, starting from introducing the marketing process, strategy and value chain analysis, and moving on to the more specific factors of sustainability as a part of a brand image.

### 2.1 Marketing basics

Primarily, one needs to define marketing. In their book on marketing principles, Philip Kotler, Gary Armstrong, Lloyd C. Harris and Nigel Piercy (2013: 5) define marketing as:

The process by which companies create value for customers and build strong customer relationships to capture value from customers in return.

The primary aspect in marketing is to create value to customers as stated above. The needs and wants of the consumer determine whether they are motivated in buying the goods or services the company is providing. Consumer motivation can be observed



through Maslow's hierarchy of needs, which is presented in Figure 1 below (Martin & Schouten 2012: 61-63). According to the hierarchy, people primarily need to secure their basic survival or physiological needs, such as water and nutrition, followed by the need for safety, which can include financial safety and safety of the living environment. According to their book on sustainable marketing, Diane Martin and John Schouten (2012: 61) claim that the primary needs can also include the need for sustaining the environment and demanding organic substances. Next is the need for belonging, which can be seen as belonging to a social group but also to society as a whole and sharing the responsibility all humans have for the environment. Martin and Schouten (2012: 62) suggest that the need for esteem and self-value can come from the choices and status symbols such as driving a hybrid car. Finally, self-actualization refers to personal growth and becoming to one's potentiality, and can also be realised when the consumer's deepest values align with their actions (Martin & Schouten 2012: 62).

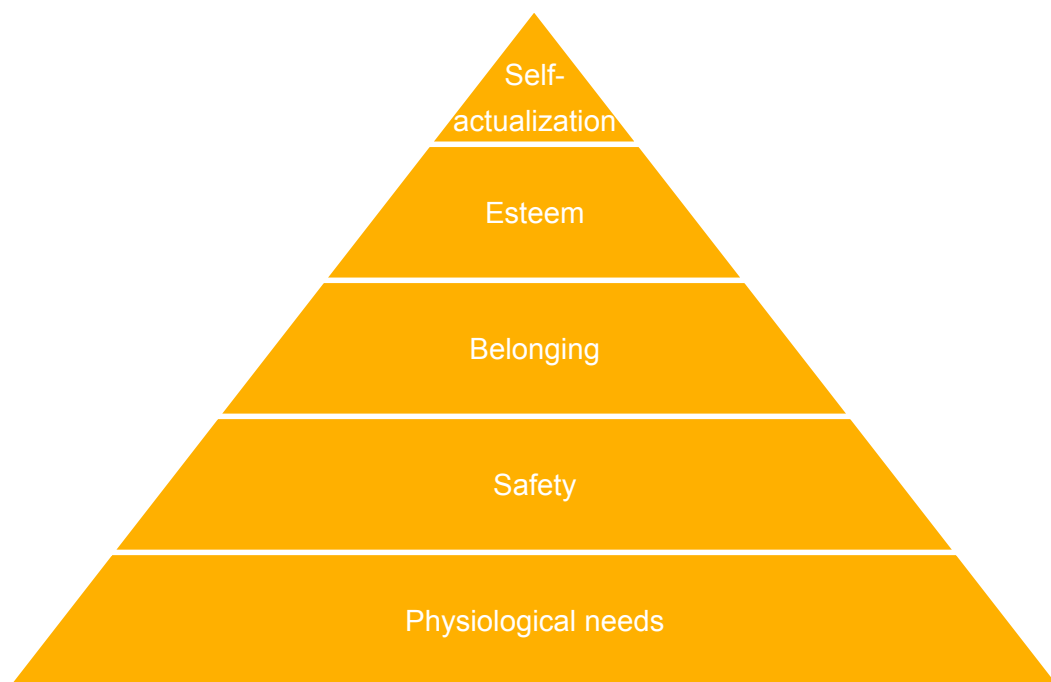


Figure 1. Maslow's hierarchy of needs (Martin & Schouten 2012: 61-63)

Figure 2 below presents an overview of the marketing strategy as presented by Kotler et al. (2013: 51). They explain that marketing strategy begins from analysing the environment in which the company operates, involving the customers, competition, publics, suppliers and marketing intermediaries. Customer value and relationships are in the middle of the diagram, as in order to create sustainable competitive advantage the

company must create value to its customers as well as gain profit. The ways in which the company can create an advantage are differentiation, positioning, segmentation and targeting. According to Kotler et al. (2013: 50), companies need to understand the needs and wants of its consumers in order to choose which value proposition it promises to deliver to its customers. The company differentiates itself from its competitors, positions itself amongst the others, divides its customers into segment groups depending on their needs, wants and characteristics, and targets each or some of the segments. Kotler et al. (2013: 59) claim that there are various aspects for a company to consider when making these decisions, as companies need to make profit in order to succeed and please their customers in order to gain profit.

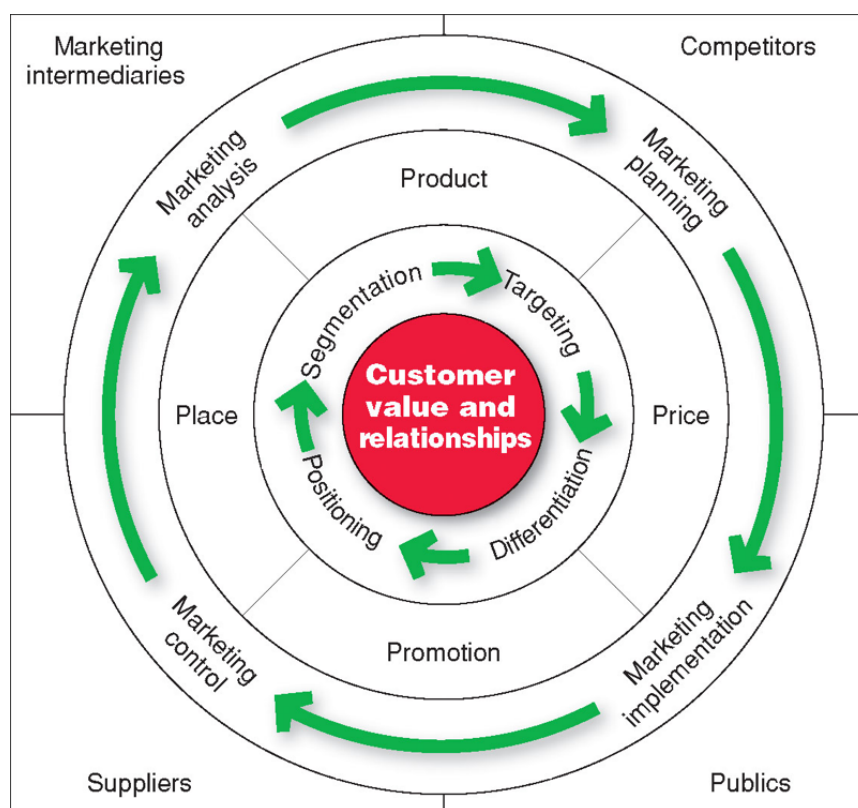


Figure 2. Marketing strategy (Kotler et al. 2013: 51)

After setting the marketing strategy, the company determines its marketing mix. The marketing mix is presented in Figure 2 above, and consists of the product or service the company is offering, its pricing strategy, the placement and availability of the product as well as promotion of the value proposition. Managing relationships with customers happens throughout the marketing process, and after establishing the marketing

mix the goal is to have established a profitable relationship that leads to bringing profit to the company and creating long lasting relationships with the consumer (Kotler et al. 2013: 53). In order to make the marketing mix more sustainable, numerous improvements must be made.

Martin Charter, Ken Peattie, Jacqueline Ottman and Michael J. Polonsky (2002: 20-26) emphasize in their booklet on marketing and sustainability that when a company decides to change its strategy towards a more environmental and social one, it must take all the operations in the value chain into consideration. Thus, all of the aspects of the marketing mix must be reconsidered and valued. This means a lot of changes and innovations, which affect the entire company beyond the marketing department. They suggest that improvements in the product include for example using locally sourced, renewable raw materials, saving energy in production and trying to reduce packaging (Charter et al. 2002: 21-22). The improvements on the production may be expensive and time consuming, however it is crucial for the operations to be sustainable in order to have a sustainable product. According to Charter et al. (2002: 23), the price of a sustainable product is debatable, as on one hand, the companies do not want to increase their prices too much as it might affect on how many consumers are willing to buy a sustainable product instead of a regular one. On the other hand, the cost of making a sustainable product can be more expensive and if the company is compensating its environmental footprint, the compensation may also be included in the product's price (Charter et al. 2002: 23).

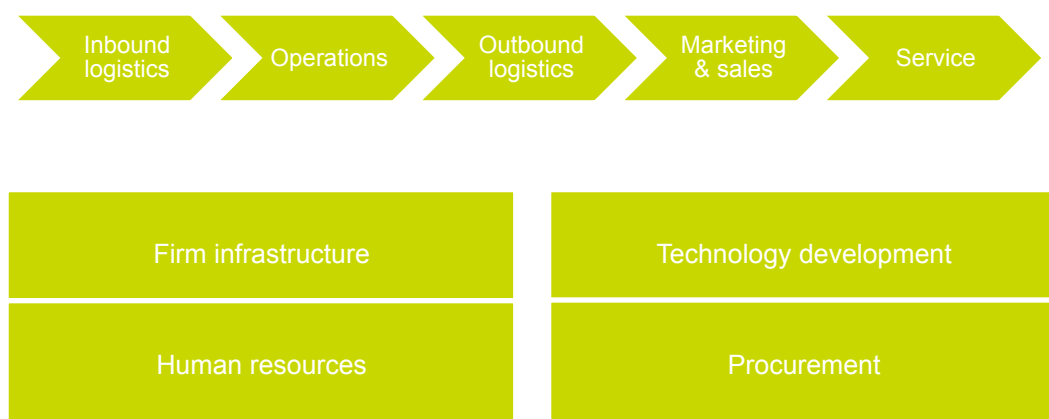


Figure 3. Value chain –model (Porter 1990: 41)

Besides the product and price, the place and promotion have an effect on the sustainability of the company (Charter et al. 2002: 25-26). The place refers to the logistics, distribution and recycling. It focuses on the place of the manufacturing and how close it is to the suppliers and retailers, as well as on the transportation and the efficiency and emissions. In addition, the company needs to consider the impact of its suppliers, retailers and reverse logistics. The latter refers to reviewing the design, process and systems in order to be able to better reprocess, re-manufacture and redesign. Michael Porter's value chain presented above in Figure 3 shows the primary operations of a company: inbound and outbound logistics, operations, marketing and sales and service, as well as the secondary operations that are the infrastructure of the firm, its technology, human resources and procurement (Porter 1990: 41). Kotler et al. (2013: 48) claim that "[a] company's value chain is only as strong as its weakest link". Thus, they explain that in order for the company to be successful in bringing value to its customers, each department must perform well. The final element of the marketing mix, promotion, refers to the way and medium on which the company communicates with its consumers and other stakeholders (Charter et al. 2002: 26). Charter et al. emphasise the need for accuracy, consistency and research to back up the claims. In order to gain an authentic, trustworthy sustainable image, they must communicate and operate in a sustainable way throughout the value chain.

## 2.2 Sustainability and marketing

Charter et al. (2002: 12) claim that ecological marketing was created in the 1970s, when people became more concerned about environmental aspects in industries such as oil, cars and chemicals. Ecological marketing was especially focused on products and production that were either causing or improving environmental problems. In the late 1980s the concern extended to household items, cosmetics, food and tourism. Later, in the end of 1990s, Corporate Social Responsibility (CSR) and the effects of globalisation were on the focus (Charter et al. 2002: 14). Andrew Revkin (2018) claims in his article on National Geography that although some people have been aware of global warming and its effects on the world since the early 1900 and already before that, it only became a global knowledge at the end of the century. According to Revkin, climate change has been on the news for a long time, however it only started raising more attention in 1988 when the US was suffering from many climate disasters and the

Intergovernmental Panel on Climate Change was founded. Over the past 30 years, recognised scientists have issued statements and warnings, however it seems that people have only really understood the reality of the threat a few years ago (Revkin, 2018). This has led to changes in the macro and micro environments in which companies operate.

According to Martin and Schouten (2012: 43), the different marketing environments have a great effect on companies' marketing strategies. They present different business environments that influence the sustainable marketing strategy: the social-cultural, economic, technology, political-legal, natural, and competitor environments. One can look at these environments from the micro and macro environmental point of view. The macro environment examines society as a whole, while the micro environment refers to the surrounding situation. The macro environment factors are the social, cultural, economic, technological, political, legal and natural, or environmental, factors as they relate to the bigger picture (Martin & Schouten 2012: 43-52; Kotler et al. 2013: 78-96). The micro environmental aspects are the competitors, suppliers, consumers and other stakeholders of the company (Kotler et al. 2013: 74-77).

Sustainability can be seen as a part of all the different factors stated above, as it has become as much a political concern as a technological one. Martin and Schouten (2012: 43) claim that as people are becoming more and more aware and demanding when it comes to environmental and social requirements, the macro level of the social-cultural environment needs to change accordingly. They state that education and media have had a great influence on the growing attention towards sustainability (Martin & Schouten 2012: 44-45). The economic situation of the country in which the company operates has an effect on companies and on the level they can invest in sustainability and research and development. Technological innovations are required in order to make more sustainable products and services, although sometimes technology is also the enabler of unsustainable actions. The political-legal environment encompasses the laws, regulations and government actions towards sustainability. The natural environment refers to the core of sustainability, the Earth's ecosystem and how climate change is affecting it (Martin & Schouten 2012: 51-52).

The micro level factors show the aspects that the company must be aware of in its own market, such as consumers, whose needs and wants are reflected on the brand value, and competition, which needs to be examined to know what they are offering, hence

how to differentiate and what to learn from them (Kotler et al. 2013: 76-77). The competitor environment refers to evaluating and examining the other companies that are targeting the same market (Martin & Schouten 2012: 47). In regards to sustainability, competition might create more ecological and social benefits since when one company decides to become more sustainable, its competitors might follow (Martin & Schouten 2012: 47). The macro and micro environmental factors are important to the authentic sustainable brand since all of these have an impact on what the consumers are expecting and what they consider to be sustainable.

### 2.3 Changing consumer attitudes and greenwashing

Sustainable brands are no longer a niche market, as was described a decade ago by Timothy M. Devinney, Pat Auger and Giana M. Eckhardt in their book “The Myth of the Ethical Consumer” (2010: 3). They discuss how ethical and sustainable products are still rare and sustainable product lines are just one line of the brands’ multiple other lines, regardless of the hype. Now, it could be argued that the hype has only grown, as have the amount of green product options in the market. However, their take on consumers’ purchasing behaviour remains current. They claim that the ethical consumer is a myth, as it is not only an oxymoron, since generally consuming cannot be considered ethical, but also a simplification of human behaviour (Devinney et al. 2010: 4-6).

Many consumers may express the want to make sustainable purchasing decisions and bring value to it, however that is only one part of the many different aspects that lead to purchasing action (Devinney et al. 2010: 39-40). Consumers might choose products due to their ecological ingredients or ethical labour, however they might also do so because of public pressure. Devinney et al. (2010: 52, 89) emphasise the importance of understanding these external influences in the purchasing decision. Values, beliefs, attitudes and intentions are all influenced and moderated by external factors (Devinney et al. 2010: 48-52). They also state how people generally think that sustainability and human rights are important but still they might not act on them, as they do not want to give up gained benefits or consider their actions significant enough to matter in the bigger picture (Devinney et al. 2010: 163-165).

Eckhardt, Devinney and Belk (2006) claim in their documentary that companies’ CSR operations can be very loosely put together, and can entail many different aspects from

corporation philanthropy to human rights. They also state that CSR is often the manager's decision to make the company look good in order to be rewarded by consumer action of buying and supporting the brand. Eckhardt et al. (2006) are interested in whether consumers also only want to state to be ethical and sustainable in order to look good and gain respect from others. They argue that although consumers care about the ecological and ethical aspects, they still continue to act otherwise and often choose low price over their values (Eckhardt et al. 2006). Nevertheless, recent studies (Nielsen 2015; IBM Corporation 2020; Sustainable Brand (SB) Index AB 2020a; 2020b) show that consumer behaviour has changed in the past decade, as consumers are demanding more sustainable solutions and are willing to pay more for sustainable products.

The more aware consumers are about their buying decisions, the more companies also take advantage of that. Greenwashing can be “— any marketing or brand claim around environmental or social issues that is either false, misleading or exaggerated,” as explained by Guy Champniss and Fernando Rodés Vilà in their book on socially valued brands (2011: 49). Furthermore, Campher (2014: 45) argues that while greenwashing can occur in the communication and positioning of the brand, companies also often highlight the sustainable source or creation of the product while ignore the negative impact the product may have. Charter et al. (2002: 20) also point out the growing media attention that the company is facing when attempting to become more sustainable. Companies need to have a completely trustworthy image through their own communication and media in order to avoid greenwashing claims (Charter et al. 2002: 26).

## 2.4 Authentic sustainable brand image

Consumers have more expectations and demands towards brands, which in return have to bring transparency to another level and make a commitment to stand behind their actions according to a report by World Economic Forum (2013). The report suggests that sustainability should be in the core of the brand strategy. It also stresses the success of integrating sustainability in all the marketing tools and everything the company does. According to the book “Strategic Brand Management” (Keller, Apéria & Georgson 2008: 39), a brand can be defined as a name, symbol or design that identifies a product or service and differentiates it from its competitors, however it is often referred to as the awareness, reputation and significance of the brand in the market-

place. Martin and Schouten (2012: 140) explain that a brand is the outcome of communication, both of the company and its stakeholders, such as consumers. It consists of the trademarks of a product or a company, however unlike the trademarks, a brand cannot be controlled. Thus, although a company can decide what it communicates of its brand, it cannot completely control what the other stakeholders communicate and think about it (Martin & Schouten 2012: 140). They state that for a brand to be seen sustainable, it must act in an ecologically enduring way and align with its promises. Sustainable branding implicates that the brand is associated with a truly sustainable image and strengthened by integrity, as a truly sustainable brand cannot be built on mistrust (Martin & Schouten 2012: 141). Brands have different attributes that will be discussed later in the chapter, and afterwards move on to brand promise and value proposition that are crucial in order for brands to be seen authentic and trustworthy. In addition, they need to have positive brand equity as will be discussed next.

Brand equity explains how well the brand is performing and can be used to evaluate whether the marketing of the brand is successful (Keller et al. 2008: 43). Customer-based brand equity (CBBE) refers to the customers as the most important part of brand equity, since the priority is for the brand to be associated with the desired feeling, image and opinions among the consumers in order to gain a positive customer-based brand equity and thus have good recognition, loyal customers and favourable reactions towards the product (Keller et al. 2008: 43). Kevin Lane Keller's CBBE –model is presented in Figure 4 below and includes first creating an appropriate brand identity and awareness by establishing salience with the customers. After the customer is familiar with what the brand is offering, it can build brand meaning by creating brand associations about the performance of the brand, such as durability, as well as imagery, for example the values, related to the brand. The brand then responds to judgements and feelings about the brand, and finally forges a relationship with the customers. As a brand's strength is dependant of its consumers' feelings, opinions and actions, resonance is a crucial building block to achieve consumer loyalty. The aim of the model is to create a close relationship with the consumers. (Keller et al. 2008: 43-45)



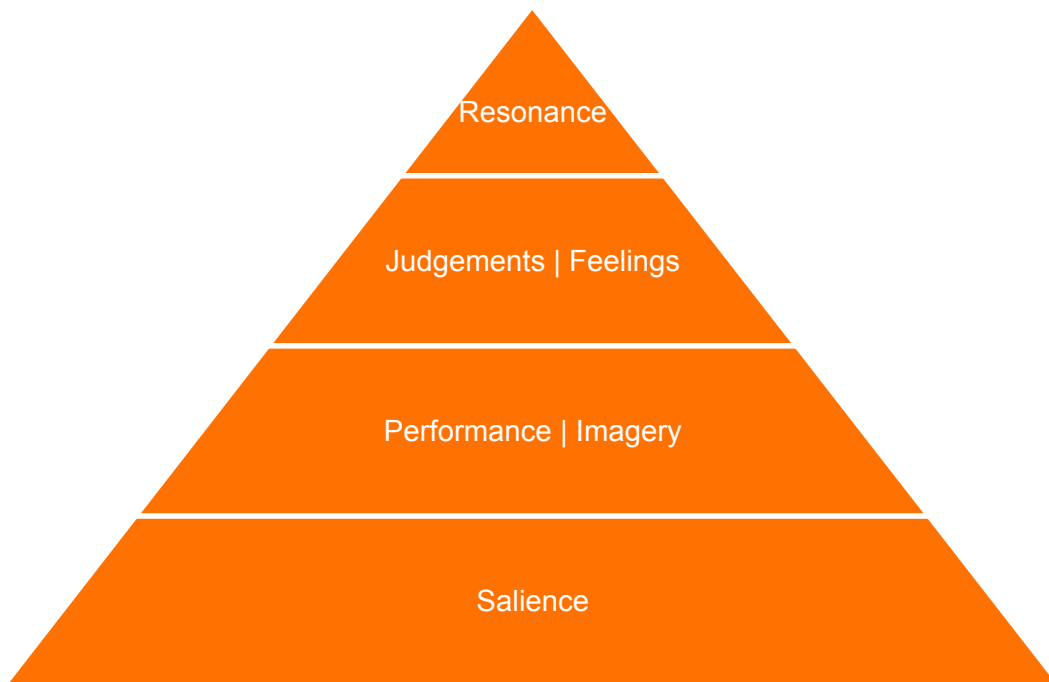


Figure 4. Customer-based brand equity –model (Keller 2008: 43)

According to Keller et al. (2008: 47), brand knowledge is the key when building brand equity, and can be achieved with brand awareness and a memorable brand image as shown in Figure 5 below. Thus, brands need to have strong brand recall and recognition in order to build brand awareness, and create a strong brand image that is associated with favourability, strength and uniqueness in the consumers' minds. The types of associations are attributes, which can be product related or non-product related: packaging, user imagery and usage imagery; benefits, which are functional, experimental and symbolic; as well as attitudes about the brand. Keller et al. (2008: 47) propose that brand associations are knowledge of a brand that are stored as memory nodes, which interconnected with other nodes form a network of associations that represent the consumer's idea of the brand: the brand image. As all marketing efforts are driven by the consumers and what the marketers expect the customers need, want and value, it is essential to have a brand image that the consumers link with strong associations that are favourable and unique to the brand (Keller et al. 2008: 47).

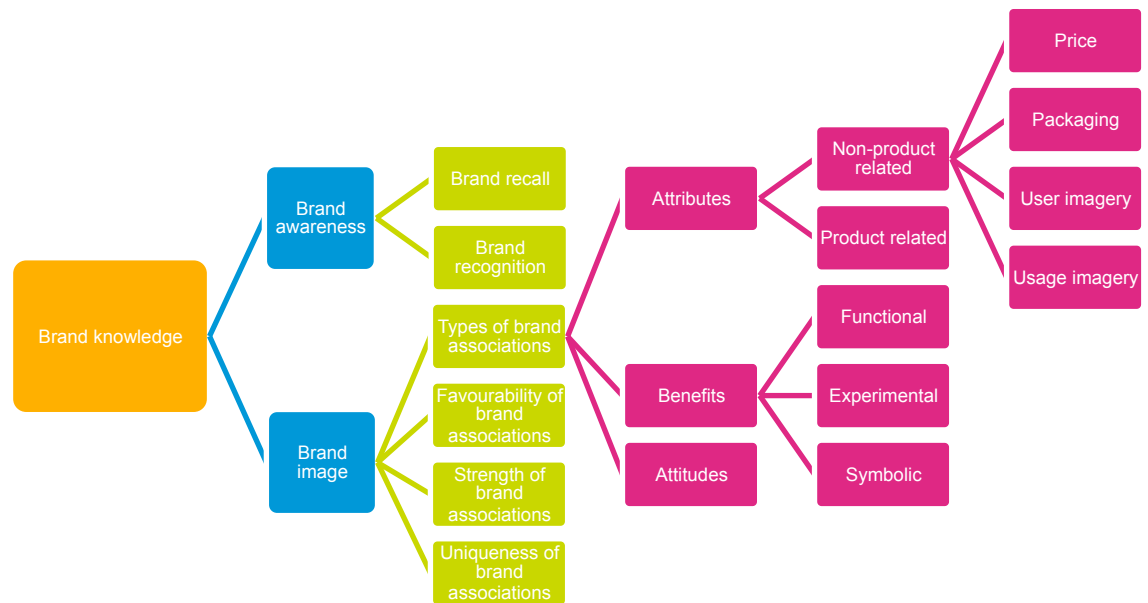


Figure 5. Dimensions of brand knowledge –model (Keller 1993: 7)

In his book “Creating a Sustainable Brand” Henk Campher (2014: 37) states that a sustainable brand cannot exist without a sustainable product and vice versa. Thus, as stated previously (see page 6), in order for a brand to be seen authentically sustainable, the promise must align through the value chain of the product. In addition, the value that the product creates and the impact in the longer term should also be taken into consideration (Campher 2014: 47). Campher suggests that the sustainable product-related attributes can come from sustainable operations and sustainable outcomes, and the non-product related sustainability comes from embedding sustainable values into the brand and the impact the brand has in the marketplace. The brand impact refers to the outcome that branding has on the market (Campher 2014: 47-48). He states that brands need to have a connection through their messaging – how the story and brand attributes reflect the values they want to share with their consumers, and which medium they will choose.

A brand impact can be disruptive, engaging or incremental (Campher 2014: 49-50). Disruptive, strong messaging and unusual mediums are used to break the norms to gain the support of their target market, while engaging messages and mediums are more focusing on longer term engagement between the brand and the customer. The impact the brand is aiming at can be either or both disruptive and engaging, or they can

choose an incremental and slow approach to changes (Campher 2014: 51). As nowadays information and advertisements are everywhere and people might be too overwhelmed to pay attention to it all, Campher (2014: 52) argues that brands may need to be more disruptive and different in order to have their message heard and seen. He also emphasises that once a sustainable brand has created an impact that communicates their sustainability to their consumers, the brand needs to be associated with sustainability in order for the impact to last. Sustainability can be associated in various ways and different companies have different sustainability agendas (Campher 2014: 56).

Regardless of what the brand wants to be associated with, it needs to be strong in order to be taken seriously (Keller 2000). Strong brand equity stems from brand attributes that match the customers' values, thus leading to strong customer loyalty and profits. In his Harvard Business Review -article, Kevin Lane Keller (2000) presents ten brand attributes that the strongest brands at the time of publishing have in common. These strong brands deliver the customers an overall attractive brand, are relevant, have a proper pricing strategy and brand position, are consistent, have a sensible brand portfolio, utilise marketing activities to build equity, have managers that understand the importance of their brand image, support the brand in the long run and monitor sources of brand equity (Keller 2000).

Keller (2000) explains that a strong brand is attractive from all aspects, tangible and intangible, meaning the brand image, attributes, service and others are all delivering what the customers want and need, even if they cannot put it in words. He states that brands need to be relevant and stay on the lead without losing its core strengths, meaning that the brand provides the consumer a quality product or service, takes into account the user imagery, usage imagery, personality and feeling of the brand and its relationship with its customers, while improving by following the changing trends, attitudes and recommendations. Keller (2000) states that brands are judged and appreciated as per the whole company and its role in and responsibilities towards society. Thus, brands must respond to the wishes of the target consumer by offering the personality and feelings that the consumer wants from the product, and build a relationship with the consumer so that they know they can trust the brand in keeping its promises (Keller, 2000). Furthermore, Keller (2000) states that a strong brand's pricing strategy reflects the consumers' perception of the value. He suggests that brands should not alter the product in order to be able to charge less if it may harm the product's brand

building activities. Charter et al. (2002: 23) also pointed out the importance to carefully evaluate a pricing strategy for sustainable goods (see page 6). A brand position also affects the pricing strategy. Brands need to be similar and different to others simultaneously, and need to find their own position in the middle of it (Keller 2000). He also claims that a strong brand upholds its position by creating points of parity as well as points of difference while also remaining consistent and balanced.

Companies often have multiple different brands, which are referred to as brand portfolio (Keller 2000). A brand portfolio consists of diverse brands that all have their own brand image but also contribute to the same company. According to Keller (2000), a brand hierarchy must be evaluated so that each brand has its own place in the portfolio. He also states that the brands cannot overlap each other and thus they should be positioned clearly to serve different targets as well as have a different, clearly focused brand images (Keller, 2000). Campher (2014: 31) suggests that sustainability is often introduced into a brand when an existing company or a new company creates a new brand.

Furthermore, Keller (2000) states that strong brands take advantage of diverse marketing and branding elements, which bring different inputs to how brands can gain knowledge and build brand equity. Keller (2000) proposes that the company can make use of pull functions such as traditional advertising to create demand and push functions such as promotion. Managers' appreciation of the brand image is a crucial aspect of building a strong brand (Keller 2000). As discussed earlier (see page 11), brand image and promises need to be taken into account in all of the activities of the company. Thus, managers of all activities within the company must understand and act according to the customers' expectations.

The two final points Keller (2000) discusses are supporting and monitoring sources of brand equity. Brands are vulnerable and need attention, which means they need to be advertised and given enough support to sustain the brand position, as all brands need to concentrate enough money, resources and effort into marketing. In addition, brands are audited, evaluated and monitored. A brand audit refers to an evaluation of the health of the brand and includes investigation of how it has been marketed, what the brand does and how the consumers have reacted and see the brand. These audits are crucial for managers to find out what perceptions the consumers have on the brand as that reveals the brand's true image in the eyes of the consumer. Truly knowing and

understanding the brand can prevent the brand from incoherent communications and help the company to know when and how to improve. (Keller 2000)

A brand is considered green when the brand is associated with being environmentally committed and linked with positive feelings, attitudes and practises towards the environment (Ng, Butt, Khong & Ong 2014 cited in Ha 2020: 2386). Ng et al. also claim that as the brand is associated with being green, it can gain a green brand image. However, Esch, Langner, Schmitt and Geus (2006 cited in Ha 2020: 2387) claim that brands also need to build a brand relationship in order to build green brand equity. According to Esch et al., brand relationship stems from trust and satisfaction towards the brand. Ha (2020: 2388) proposes in his investigation on green brand equity that brand image, brand relationship, brand trust and brand satisfaction are positively interrelated. Judging by the research, a green brand image and trust positively affect green brand equity. The study (Ha 2020: 2391) implies that satisfaction does not imply which green brand the consumers choose, as green trust is the main motivator. Thus, brands can build a strong green brand, which will add value, increase trust and satisfaction among customers, when trust is the emphasis. Without actions to prove the environmental promises and communication, the customers will not feel that the brand's promises are sincere and reliable. (Ha 2020: 2391)

Jacquelyn Ottman (2011, ch. 6) states in her book "The New Rules of Green Marketing" that communicating a brand's sustainability is a promise that the brand makes. Thus, brands' attempt to persuade and assure the customers of the qualities and advantages the product or service offers. Champniss and Rodés Vilà (2011: 125) argue that strong brands are as strong as the trust in the promises they have. In their book about identity-based brand management, Christoph Burmann, Nicola-Maria Riley, Tilo Halaszovich and Michael Schade (2017: 109) suggest that a brand promise entails all the benefits to purchasing the product for the target group in a few sentences. They state that when considering the promise, the brand must take the whole identity of the brand and the needs of its target consumers into account, and ensure brand differentiation by depending on the brand audits and experiences of the brand and its rivalries. According to Burmann et al. (2017: 109) "[a] brand promise must be understandable, relevant to buying behaviour, credible and superior to competitor brands in order to effect a brand purchase." These requirements stem from the brand's identity, benefits, performance as well as its origin and competencies. Burmann et al. also state that the brand promise needs to be incorporated into the marketing mix elements.

Ottman (2011, ch. 6) emphasises that brand promises must imply the benefit that the sustainable product has for the consumer, not only for the environment. Although consumers want to support the environment when buying sustainable products, the other aspects of the product, such as quality, looks and price, are equally or more important. Also Campher (2014: 24) claims that a brand cannot survive if the only purpose of it is to create a positive impact for the environment, but sustainability should be embedded to the brand promise. In addition, Ottman (2011, ch. 6) argues that consumers should be educated on how the purchase of sustainable goods benefits them, society and the environment. Once the consumers appreciate the difference they can make with their purchasing decisions, they feel empowered and good about themselves as well as the brand (Ottman 2011, ch. 6).

As discussed, trust is the most important aspect towards an authentically sustainable brand image. Ottman (2011, ch. 7) claims that in order to gain consumers' trust, brands need to be true about its failures and issues that it still needs to improve, be transparent and provide sufficient information to its consumers and not mislead the consumers in any way. In addition, she states that brands need to include sustainability throughout their value chain and consider the long-term impact of their products (Ottman 2011, ch. 7). Champniss and Rodés Vilà (2011: 134) state that:

Brands have to be trusted: if they're not, then the brand stands for nothing. – considering trust is central to, and a product of, both what a brand stands for and the creation of social capital, it becomes pretty clear that brands are essentially in the business of creating social capital, with the virtuous relationship between capital and trust manifesting itself as brand equity, in measures such as advocacy and loyalty.

Thus, one can conclude that in order to have an authentic brand image, brands must gain consumers' trust, and the consumers need to trust the brand and the company before they can trust their sustainable promises. Companies need to have an image that the customers want to endorse, and values that they share to achieve the advocacy and loyalty from them. In order to gain that image companies need to act in a way that promotes the messages and communication. Achieving an authentic sustainable image is a result of various aspects that have been covered in this literature review. The following section will explain the research methodology used in the thesis.

### 3 Research methodology

After reviewing the basics of marketing, the connection between marketing and sustainability, consumer behaviour, greenwashing and sustainable brand image, the thesis will continue toward how the research is conducted and how the research questions will be analysed. Research is deciding on a problem to study, forming a hypothesis on it, collecting the data, analysing it and reaching a conclusion (Kothari 2004: 1). Research can be exploratory, descriptive or causal. Exploratory research refers to an investigation of a problem in order to learn more on it without necessarily reaching a conclusive result, while descriptive research is more focused on finding out, describing and analysing the characteristics of a certain issue. Causal research aims at finding out the cause and effect and the relationship between them, and can also be called hypothesis-testing research (Kothari 2004: 2). The methodology chapter will consist of the research method used in the thesis and why the specific method and problem has been selected, as well as the objective, validity and reliability of the research.

#### 3.1 Data collection

The thesis utilises the exploratory research method and a survey of concerning literature, meaning the research is based on secondary data. As opposed to primary data, which the researcher would collect themselves for example by conducting an interview, secondary data means existing data that someone else has already collected and analysed (Kothari 2004: 95). The research focuses on existing literature, which is analysed and applied to the case companies H&M Group and Marimekko. The theory is based on books, articles and existing research. In addition to surveying the concerning literature, a case study is conducted. A case study refers to qualitative analysis and investigation of certain units and the inter-relationship between those (Kothari 2004: 113). Data of the case companies is collected from the companies' websites, reports and social media accounts, as well as articles and researches reviewing the case companies.

The reason for using secondary data collection method is that it suits the type of research that is conducted. In addition, primary research seems to be unnecessary with the available existing literature as well as limited funds and time. The case study ap-

proach has been chosen due to the applicability for researching how the case companies are implementing sustainability in their brands.

### 3.2 Research objective and hypothesis

The purpose of this research is to find out what makes a brand a sustainable brand by answering the research question how can companies create an authentic sustainable brand image. The research question has been chosen, as it is very current for the growing concern over climate change and need for sustainable values. The interest in the research is in the case companies' branding strategies and how sustainability is embedded in those as well as their customers' attitudes and purchasing behaviour.

Judging by the literature review, the hypotheses would be as following:

Hypothesis 1. Sustainability has to be in the centre of the brand promise and all actions have to align with the promise in order for the brand to be seen authentically sustainable.

Hypothesis 2. Consumers require sustainable options, trustworthy image and full transparency from companies in order for the brand to be seen authentically sustainable.

The first hypothesis are formulated based on the World Economic Forum's research in 2014, Charter et al.'s research on marketing and sustainability in 2002, as well as brand theories written by Campher (2014) and Keller (2000) and Keller et al. (2008). The second hypothesis is based on the research by Eckhardt, Devinney and Belk in 2010, Nielsen on consumer behaviour in 2015, the IBM Corporation on consumers driving change in 2020 and the SB Index AB studies on Nordic consumer behaviour in 2020. In addition, the researches conducted by Ha 2020; Ottman 2011; Burmann et al. 2017, support both hypotheses in their focus on brand trust as the main argument in the process in becoming truly authentic and respond to customer needs and wants.



### 3.3 Validity and reliability

The validity and reliability of the secondary data should also be reviewed. The sources are academic journals, books and e-books as well as trustworthy newspaper articles, reviews and research articles from reliable sources. The accuracy of the data is intended to ensure by referring to current data and supporting the data from the early 2000's with recent data from 2015-2020. The suitability and adequacy of the secondary data reflects to the nature of the study. The case studies are based on the data that the company has written and published themselves, which can have an overly positive view on the issues and lack of reporting the less pleasant aspects of their operations. Thus, research and newspaper articles reviewing the brands' operations and their consumers' attitudes towards the companies and their purchasing behaviour as well as experts' opinions on the companies' sustainability are also included.

### 3.4 Limitations

The limitations of using secondary data include the possibility that the data is unsuitable or inadequate (Kothari 2004: 112). Hence, the data must be found reliable, suitable for the research and adequate. According to Kothari (2004: 116), limitations of the case study method may include false generalisations and lack of scientific significance as it is based on many assumptions. He also claims that as long as these limitations are considered and modern collection methods are used. In addition, limitations to the study include limited time and funds (Kothari 2004: 112). Furthermore, Helsinki Metropolia University of Applied Sciences (2019: 1) limits bachelor's thesis to approximately 10 000-12 000 words, 40-60 pages and 400 hours of work. Thus, the research is limited considering its scope, breadth and depth compared to longer, more professional studies.

## 4 Research results

As consumers are now increasingly aware of climate change and the impact on consumerism on the environment, they are actively assessing the sustainability of their purchasing choices. Companies are now acting on changed requests towards working conditions and business ethics. Brands cannot only seem ecological or ethical, as they must have their values, operations and stories in line with their promises. In order to have an authentic brand image, companies need to have transparency and stand behind everything they do. Sustainability needs to be incorporated in all the aspects of the marketing mix and value chain of the company. In the following section, the case companies H&M Group and Marimekko are reviewed based on how sustainability and environmental issues are included in their vision, missions and business practises and the trustworthiness of their brand image and promises. Nevertheless, it should be noted that the two companies are not entirely comparable as they vary in many aspects such as size and resources.

### 4.1 Case companies' marketing processes, strategies and value chains

The marketing process begins with defining the consumers' motivation for example with Maslow's hierarchy of needs as shown in Figure 1 (see page 4). H&M Group's brands and Marimekko provide mainly fashion and clothing, which can be seen as answering to a basic need for people to stay warm and covered. However, many do not wear clothes only because they need to, but as a means to express their personality, values and status. The need for belonging to the society can also be expressed through clothing, as one can dress according to trends or according to a certain style to fit in to a group of people. Esteem can also be gained through finding one's own style and developing one's own brand through the choices of clothing brands. Self-actualization can stem from a person finding a brand that shares the same values as they do.

H&M Group lists its core values as: we are one team, we believe in people, entrepreneurial spirit, constant improvement, cost-conscious, straightforward and open-minded, and keep it simple. Their mission is “— to make great design available to everyone in a sustainable way,” (H&M Group 2020b). Known as a fast fashion company, the brand

wants to enhance its sustainable image by being the pioneer of change (Biondi 2018). As discussed in the beginning of the thesis, H&M Group has made promises to be 100 percent climate positive by 2040 (Samaha 2018). H&M Group has nine brands that all have their own target market and brand image (H&M Group 2020c: 12). For example, H&M is branded as a fashion brand for all people, seasons, and styles. Weekday is inspired by youth, denim and street style and aims for a younger, more edgy look. COS is more about classic design that does not go out of style, and Monki is referred to as a storytelling brand that empowers young women with affordable, brave and fun clothes. H&M Group (2020c: 39) also states that all their brands complement each other:

Together they offer customers a variety of trends and styles at various price points within fashion, beauty, accessories and homeware, as well as cafés with an offering that includes modern, healthy food. All the brands share a passion for fashion, design and quality at the best price in a sustainable way.

H&M Group operates globally in multiple markets, of which the biggest by net sales are Germany, USA, UK, France and China in 2019 (H&M Group 2020c: 19). The brand with the most expansion is H&M, which operated in 74 markets in 2019. H&M Group is constantly expanding to new markets in order to reach new customers in new areas, and they have also opened online stores to all its brands to reach more customers in existing and new markets (H&M Group 2020c: 18). H&M Group recently appointed a new chief executive officer (CEO) Helena Helmersson, who became the company's first female CEO in 2020 (Ringstrom & Ahlander 2020). Anna Ringstrom and Johan Ahlander claim in their Reuters article that the change is not major, as Helmersson has been in the company for 20 years, in positions such as the head of sustainability. Thus, she has underlined that the company will be pushing sustainability while also growing and increasing sales. H&M Group's biggest competition, Inditex, also recently appointed a new CEO. "Both chief executives have a strong sustainability remit, underlining how keen fashion companies are to prioritize their environmental strategies at a time of a public backlash against cheap, throwaway clothing," (Ringstrom & Ahlander 2020).

Marimekko is known for its unique prints and colours in its high-quality clothing, bags, accessories and home décor items. The brand's purpose is to empower people and bring joy through their bold prints and colours, and "— vision is to be the world's most inspiring lifestyle design brand renowned for bold prints," (Marimekko 2020d). Its core values are living, not pretending, fairness to everyone and everything, common sense, getting things done – together, courage even at the risk of failure, and joy (Marimekko

2020c). Marimekko's strategy has been to focus on building their international competitiveness as well as bringing the company to an overall level of profitability (Alahuhta-Kasko 2019). Similar to H&M Group, Marimekko also went through with operational changes when Tiina Alahuhta-Kasko became the CEO in 2015 (Marimekko 2020e). Tuija Siltamäki (2019) discusses in her Helsingin Sanomat article that the brand has transformed into more modern and youthful and also attracts a younger audience in the Finnish market. Still a decade ago Marimekko was a brand for the more mature women, yet in the past few years the brand has become extremely popular among the youth, both women and men. Marimekko has been able to take advantage of influencer marketing in achieving to draw in a younger crowd (Siltamäki 2019).

Marimekko's key markets in 2019 were Finland, Asia-Pacific, Scandinavia and North America (Marimekko Corporation 2020: 4). Marimekko is most well known in Finland where it originates, while the Asian market has also gained a big market share. As per H&M Group, Marimekko has opened an online shop to be able to expand to new markets (Marimekko 2020d). The online store has really boosted the international expansion, especially in Asia where the market share was 19 percent of all sales in 2018. All in all, the international sales increased by 12 percent in 2019, making the international sales 43 percent of all Marimekko sales (Marimekko Corporation 2020: 2, 5).

H&M Group's brands are all unique, however they all claim to make accessible fashion and design for everyone. In the early days of H&M Group (2020a), they wanted to make fashion off the runway available for everyone, which can be translated as they started making cheap clothes that follow trends and look like copies of designer clothes. In their sustainability report (H&M Group 2020e: 10) they claim that as the world has changed since they started, they need to change their materials, processes and business models while still be able to offer fashion affordably to all, thus the company changed its strategy in 2017. They state that as their consumers' expectations are increasing, they must also deliver new innovations in order to "— offer the best combination of fashion, quality, price and sustainability," (H&M Group 2020c: 8). However, the strategic changes seem to be primarily about growing, extending and improving and secondly about sustainable changes into the operations. In their 2019 annual report (H&M Group 2020c: 9) they state that "[they] take a long-term view of our business and continue to develop new concepts and business models aimed at adding profitable growth and contributing to sustainable development".

Marimekko also launched a new strategy in 2018. During 2018-2022, Marimekko is aiming for stronger growth internationally, especially in its key Asian markets Japan and China, and an even better profitability level by building awareness and global customer base mostly through social media, public relations and brand collaborations (Marimekko 2020d). According to Alahuhta-Kasko (2019), Marimekko aims to take the strong value-based marketing that they have been able to use in Finland to the international markets, and through that create brand knowledge and loyalty. Marimekko's intention is to attract a broader international client base by turning their artistic designs into more commercial products, while still staying true to their values (Alahuhta-Kasko 2019). She also claims that the company has approached different markets with different strategies according to the key demographic in each market. Marimekko published a new sustainability strategy in 2016 that focuses on timeless design and sustainability in the supply chain. They state their sustainability promises and show the improvements that have been made by the end of 2018 in the sustainability report (Marimekko 2019a: 12). Furthermore, they are introducing a new sustainability strategy for 2020-2025 later this year (Marimekko Corporation 2020: 8).

#### 4.1.1 Marketing strategies

The marketing mix of H&M Group varies within its brands. However, most of the brands' product offerings are clothing for women, and some also include clothing for men, teenagers, children and babies. The products also include homeware, accessories, shoes and beauty products. Their pricing strategy has emerged a lot of discussion about whether cheap fast fashion can be ethical and sustainable (Biondi 2018; David 2019). Annachiara Biondi (2018) discusses in her Vogue Business article that H&M Group's strategy is to not change the volumes, turnaround times or the low prices while promising to be committed to sustainability. The company produces approximately three billion items annually, and has had a lot of unsold clothes, for example in the early 2018 the unsold clothes were worth \$4.3 billion. Dharshini David (2019) observes in a BBC article that many fast fashion companies have improved their processes, such as Inditex, owner of Zara, which has stated to use 100 percent sustainable fabrics by 2025. He argues that as brands are renewing their business models, they are aiming to grow and attract more customers instead of convincing people to consume less.

H&M Group uses multi-channel promotion: advertisements on different platforms as well as social media accounts for each brand, blogs, newsroom, press site, newsletter subscriptions, apps, sponsorships and collaborations. Their brands are sold globally in brick-and-mortar shops as well as online (H&M Group 2020c: 18). Their supply chain includes raw material suppliers, manufacturing facilities and transportation providers to name a few. They have recently made a supplier map available in order to enhance transparency (H&M Group 2020d). The list shows 750 suppliers that H&M Group operates with, most of them in China (624) and Bangladesh (261). However, many are still questioning the working conditions and wages of the fast fashion industry.

David (2019) discusses how fashion companies are publishing their supplier lists, and whether or not that has improved the workers' conditions. He claims that once wages have improved in Bangladesh, the companies have again moved to other, cheaper places such as Ethiopia. According to H&M Group's sustainability report (2020e), the company is concentrating on enforcing the labour laws in Ethiopia and making progress towards a minimum wage. They also show the average wages they are paying for their factory workers and show that they are above the minimum wage (H&M Group 2020e). The company states that they make internal supplier audits while also relying on their Sustainable Impact Partnership Programme (SIPP) (H&M Group 2020e). However, as the pay is average of all the workers in the country, it does not show if some of the workers are paid below the minimum wage of the country.

Marimekko products include clothes, bags and accessories for women, men and children, as well as home décor. Their pricing strategy is stated on their website (Marimekko 2020b) as following:

We aim at pricing our products so that as many consumers as possible have the possibility to buy them, without compromising on quality. For Marimekko's customers, quality and design are the most important issues and therefore they also guide our sourcing. Product pricing is affected by many things such as the design, quality and amount of materials and supplies, technical details, manufacturing location and production volumes.

Thus, Marimekko's higher prices are aiming to indicate a fair distribution of the price to all the stakeholders along the supply chain, compared to fast fashion companies. Promotion is one of Marimekko's focus areas in their strategy for 2018-2022, as the goal is to gain growth through building more awareness and global customer base (Marimekko

2020d). They also have increased marketing on social media and brand collaborations as well as through influencers. In 2019 they for example increased their international brand awareness with collaborations with the Japanese brand Uniqlo and American Target. In addition, Marimekko Kioski is targeted to a younger customer base (Marimekko Corporation 2020: 2).

The distribution of Marimekko's manufacturing countries in 2019 was 64 percent in Europe and 36 percent in Asia (Marimekko Corporation 2020: 75). Approximately 80 manufacturers make their products in around 100 factories (Marimekko 2019a: 24). Although Marimekko may be seen as a truly Finnish brand, only 12 percent of manufacturing is carried out in Finland. The other Finnish factories in Kitee and Sulkava were closed in 2013 (Laitinen, 2013). One of the reasons for closing the factories was claimed to be the fact that the company could recruit more staff in design, sales, marketing as well as be more cost effective. Alahuhta-Kasko (2019) also discussed Marimekko's need to become more cost efficient if it wants to survive in today's market in her interview. Nevertheless, the brand demands all its suppliers to act according to the company's values, respect people and human rights and the environment (Marimekko 2019a: 28). Such as H&M Group, Marimekko is promoting transparency and has a list of its suppliers available. They have also published the results from am-fori BSCI audits that were carried out in the factories of their partners in 2018 in their sustainability report (2019a: 29). The company reveals that 24 percent of its factories resulted in an 'insufficient' rating, while 14 percent were 'outstanding', 14 percent 'very good' and 48 percent 'acceptable'. The reasons for the findings were usually about health and safety or about management systems, and none resulted from child labour or forced labour (see Appendix 4).

#### 4.1.2 Value chain analyses

The value chain according to H&M Group's sustainability report 2019 (2020e: 7) is presented below in Figure 6. H&M Group states the amount of their own influence in each of the aspects on the value chain, for example high influence on design, medium on raw materials and product manufacturing and low on use. They also rate each of the factors' climate, water and social impact. The climate impact refers to emissions, where they have rated fabric and yarn production to have a high impact while transportation

has a low impact. Water impact evaluates the volume, source and quality of water and its recyclability, and social impact refers to human rights issues. They state that:

Every choice we make has the potential to drive positive change and innovation in every part of our value chain — which includes all stages of our business from product design through to customer use (H&M Group 2020e: 7).

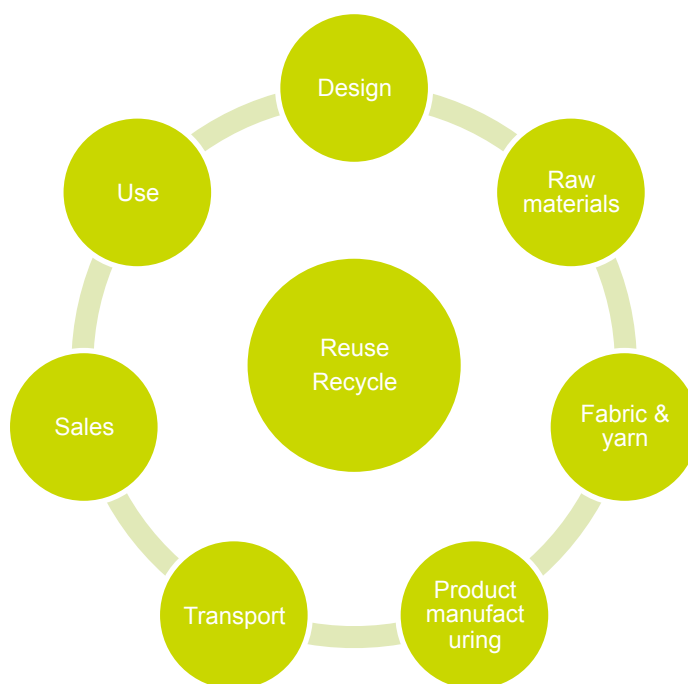


Figure 6. H&M Group value chain (H&M Group 2020e: 7)

The most visible improvements H&M Group appears to have made are the material choices. They show that they are innovating new, more sustainable fabrics, such as Circulose, and that of all cotton they use almost 97 percent was sustainably sourced, while of all materials used approximately 57 percent was sustainably sourced in 2019 (H&M Group 2020e: 54). Of sustainably sourced cotton, close to 80 percent was ‘better cotton’ or ‘initiative cotton’, about 16 percent organic cotton and 0,55 percent recycled cotton. Of all materials approximately 2 percent was recycled and almost 55 percent ‘other sustainably sourced materials’ (see Appendix 5). Likewise, Marimekko increased its use of the more sustainable ‘better cotton’ to 88 percent during 2019 (Marimekko Corporation 2020: 73). Since 2017, Marimekko has also cooperated with a Finnish fibre technology company Spinnova, which is using a technology that enables wood as a clothing material (Marimekko 2019a: 22).



Marimekko's value chain is presented below in Figure 7. According to Marimekko's sustainability report 2018 (Marimekko 2019a: 10), their primary activities are design, material sourcing, manufacturing and logistics, and secondary activities are products, recycling and circular economy and stores and online sales. As H&M Group, Marimekko states that the influence they have on the aspects of their value chain lies mostly in the design, material choices and fabric printing, the only manufacturing that still remains in Finland in their fabric printing –factory in Helsinki. Marimekko's has also tested different kinds of new materials, such as wood-based fabrics and plant-based indigo dye in the factory (Marimekko Corporation 2020: 72). In addition, they also state that they have some influence on the cooperation with their suppliers and logistics providers, as H&M Group. They are also committed in enhancing the sustainability of the value chain and transparency with their consumers. They state the importance of sustainable, durable material choices in the design phase, as "Using products as long as possible is the best alternative for the environment" (Marimekko 2019a: 10).

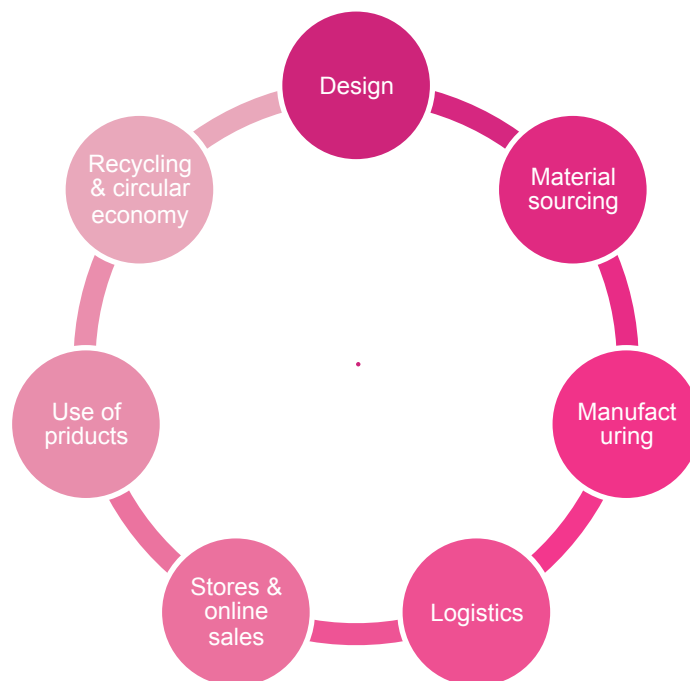


Figure 7. Marimekko value chain (Marimekko 2019a: 10)

As opposed to H&M Group, Marimekko promises a good resale value for their products and encourages consumers to lengthen the product life cycle with proper care of the products that are all made from durable materials. Although also H&M Group encour-

ages taking care of their products in order to make them last longer, Marimekko is distinguishing its products from fast fashion companies not only as long-lasting but also timeless. The CEO Tiina Alahuhta-Kasko (2019) also cited the founder of Marimekko Armi Ratia when she said that Marimekko does not follow trends but stays true to its own style, however sometimes that happens to be fashionable. They also used the same idea in their sustainability report 2018 (see Appendix 6). Marimekko states that:

Timeless product design is the core of our business and the mainstay of our sustainability philosophy. We aim to offer our customers long-lived products that they will not want to throw away. (Marimekko 2019a: 15)

H&M Group's emissions data (H&M Group 2020e: 52-53) shows a total scope of CO<sub>2</sub>e emissions of 79 124 tonnes when all emissions are taken into account in 2019. The company's scope 1 –emissions, which refer to the company's own operations' direct emissions, total at 13 380 tonnes in 2019. The amount has grown from 10 376 tonnes in 2016. Its scope 2 –emissions, which mean the indirect emissions or emissions from outsourced operations, together with its scope 1 –emissions total at 61 146 tonnes in 2019, compared to 80 541 tonnes in 2016. H&M Group's scope 3 –emissions, which refer to CO<sub>2</sub>e emissions from 'other indirect operations' such as the production of purchased raw materials, constitutes for 17 662 tonnes. Marimekko's sustainability report (Marimekko 2019a: 35-36) only introduces its scope 1 and 2 emissions as they have only listed the emissions of their own fabric printing –factory in Helsinki and the head office, without taking their outsourced activities such as most of the manufacturing into consideration. As they started using biogas in 2016, their direct emissions are almost at zero. Marimekko's scope 2 emissions come from heating and electricity and totalled at 350 tonnes in 2018.

Both companies have similar looking value chains, and both have their manufacturing outsourced. However, as H&M Group is the second largest garment company in the world, they also have a very different scale of volume in their operations. According to the European Parliament, reported by Morgan McFall-Johnsen on Business Insider (2019), H&M Group makes 12 to 16 new collections annually, and according to Biondi (2018) the company produces about three billion items every year. The Collective (2018) states that while the problem lies in the materials used and the rights and conditions of the workers as well as the logistics issues, the biggest problems are the vast amount of clothing produced and being thrown away annually. They claim that only five

to ten percent of textile waste is recycled and made into new clothes. Unlike H&M Group, Marimekko still makes the majority of its clothes and other goods in Europe. In addition, Marimekko's operations volumes are a lot smaller and prices are higher, indicating a better share being paid to the suppliers, manufacturers and farmers.

#### 4.1.3 Hypothesis 1

Both companies' actions support Hypothesis 1 (see page 19) about having sustainability in the core of the brand promise and value chain to be seen authentically sustainable. Although H&M Group and Marimekko both promise fashion in a sustainable way and have showed proof of these promises actualizing, the companies have still a long way to go to be seen truly sustainable according to their critics. Furthermore, the transparent and reported operations do not yet imply whether or not the promises are trustworthy in the eyes of the customers, or whether the actions are sustainable or not. While the increased transparency is a change for better, it does not guarantee better working conditions (Paton & Maheshwari 2019). Nevertheless, transparency and attempts to make value chain and operations more sustainable is a start for an authentic sustainable brand image.

#### 4.2 Case companies' sustainability and marketing

Fashion brands, as other companies, have realised that as consumers are demanding sustainability and transparency, they need to make sustainability commitments to gain consumer trust and avoid boycotts (Biondi 2018). In 2014 (34), Campher claimed that transforming the product category into a sustainable alternative is the trend that all mainstream brands will acquire soon. H&M Group's head of sustainability Anna Gedda states that the company has paid attention to sustainability since the 1990's in her interview by Barry Samaha for Forbes in 2018. However, the first fully sustainable clothes were introduced in 2010 as part of the first Conscious Collection. Afterwards, the H&M Incentive Programme was launched in 2011 and garment collecting was started in 2013 (H&M Group 2020a). H&M released its first sustainability report in 2002, concentrating mostly on the CSR of H&M, while the first proper sustainability report of H&M Group was published in 2016. Marimekko Corporation (2020: 72) claims

to have always had sustainability at their core and have had their operations and design always based on it. Marimekko's first sustainability report was released in 2013, and prior to that the sustainability information was enclosed in their annual report.

The macro environment, as discussed in chapter 2.2, refers to the factors that affect how companies operate (Martin and Schouten 2012: 43-52). The socio-cultural factors refer to the diverse trends and issues that affect how consumers think and what they want. The case companies have a different view on trends, as H&M Group is following the trends and producing billions of items every year, whereas Marimekko is staying true to its own style and prints, only introducing a few collections annually. As H&M Group is seen a fast fashion company, its sustainability claims and promises have raised questions. Especially many young people are boycotting fast fashion due to the amount of clothing they produce, and the immense footprint the whole fashion industry has on the planet according to an article on Teen Vogue by Laura Pitcher (2019). Marimekko's image is more trusted and customer base is loyal, especially in Finland (Alahuhta-Kasko 2019). However, as Marimekko has moved more of its operations abroad from Finland, the consumers have also frequently asked 'Why aren't all Marimekko products manufactured in Finland?' (Marimekko 2020b) and people have judged the company for closing its Finnish factories on social media.

Both companies' technological innovations and solutions are key factors in meeting the sustainable requirements to try and create more sustainable materials and sustainable operations as discussed earlier. In addition to material innovations, both companies have developed their e-commerce and online customer experience (Marimekko Corporation 2020: 2; H&M Group 2020c: 9). The political-legal aspects refer to the legislations of Finland and Sweden, the manufacturing countries and the different markets. The governmental decisions and global politics have a great influence on company policies, for example taxation can be used to encourage buying locally made goods. The European Union recently ordered that all EU –countries must recycle their textile waste by 2025 (Hiilamo 2019; McFall-Johnsen 2019). Finally, the environmental factors need to be considered. As discussed, both companies have taken steps toward a more sustainable value chain, introduced new, more sustainable materials and enhanced transparency by for example published their supplier data.

The micro environment analysis consists of the different stakeholders of the company as discussed earlier in chapter 2.2. H&M Group is competing with Inditex and Gap Inc.;

companies that similarly have tried to reduce the stigma of the fast fashion term towards a more sustainable image (Ringstrom & Ahlander 2020). The Marimekko –brand can be considered high-priced and quality apparel in the Finnish and European market, however it is not seen as a high-end, luxury brand as it is in the Asian market. Marimekko is competing with brands like the Swedish Filippa K and Danish Hay in the European market as well as other Finnish brands such as Ivana Helsinki in Finnish market. However, Marimekko's main competitors in China are in the luxury designer brand category, with brands like Diane von Furstenberg and Kate Spade being the main competitors (Alahuhta-Kasko 2019).

Both companies strongly believe in collaborations as a means to solve sustainability issues. Marimekko has collaborated with amfori BSCI on improving and monitoring supply chains and Better Cotton Initiative that promotes improvements for the environment and the farming economies (Marimekko 2019a: 28). H&M Group has collaborated with the Ellen MacArthur Foundation, which has examined fashion's impact on the environment, and World Wildlife Fund (WWF) focusing mostly on the Group's water use (H&M Group 2019e: 4). As sustainability has been realized as an important factor in marketing, companies need to consider their actions and communications. In addition, the macro and micro environmental aspects put pressure on the companies' sustainability. As discussed, H&M Group and Marimekko both are affected by the changes in the customers' requirements, needs and wants, as well as governmental pressure. Throughout these changes, trust in the companies is crucial to avoid greenwashing claims and for the companies to be seen truly sustainable.

#### 4.3 Changing consumer attitudes and greenwashing affects on the case companies

Currently, people are more aware of climate change and the negative impact of humans as a main cause for global warming. Revkin (2019) discusses a big shift in the attitudes of Americans in recent years in his National Geography article on climate change. Although the awareness has been growing over the years, the recent forest fires and floods have raised the worries of climate change (Revkin 2019). Anthony Leiserowitz suggests in an interview for Sierra Club (Patil 2019) that the quick change in the attitudes of American consumers in the past year has been due to the climate catastrophes such as wildfires, floods and hurricanes. He also points out the bigger press coverage and media using the term 'climate change' when reporting about the

nature's disasters (Patil 2019). In addition to the catastrophes in the US, the bushfires in Australia have gained a lot of attention worldwide. As Damien Cave writes on his article in The New York Times in 2020, the Australian government and Prime Minister Scott Morrison have been criticized widely for their lack of actions and dismissing climate change as the cause for the fires. The article discusses that this has led to many people into taking action in their own hands and protesting against the government (Cave 2020).

According to a study by Yale Program on Climate Change Community (Patil 2019), 72 percent of Americans believed that climate change is happening and 62 percent that it is mainly human caused. A climate survey by European Investment Bank (2019) reveals that 84 percent of Europeans and 62 percent of Americans believe humans and human action are the main causes of climate change, while in China, 90 percent believe humans are the cause of climate change. According to the study, 47 percent of Europeans, 39 percent of Americans and 73 percent of Chinese say climate change is the biggest challenge in their lives. Reasons behind these rates could stem from multiple reasons, such as the government, regulations and trends.

A 2015 Nielsen study on 30 000 consumers in 60 countries found out that 66 percent of consumers are willing to pay more for sustainable products, and a 2020 research by the IBM Corporation of 18 980 consumers in 28 countries shows that 57 percent of consumers would be willing to change their consuming habits to have less negative impacts on the environment. Although the IBM Corporation study (2020: 5) shows a lower percentage on the willingness to pay more for sustainability, customers are stating that different aspects about product are modestly or highly important to them when making a purchasing decision. For example the cleanness of the product was important to 78 percent and sustainability and environmental responsibility for 77 percent (see Appendix 7).

Both studies declare that the consumers that are most willing to spend more on sustainable goods are the younger generations. Millennials can be defined as people born between 1981 and 1996 and Generation Z includes all people born after the year 1997 (Dimock 2019). Dimock describes the difference between the two generations to be that Millennials are influenced by the historical events of the 2000's, such as the election of President Obama, as well as coming of age around the economic recession of 2008, events that Generation Z probably will not remember. While Millennials grew up

adapting to new technological innovations, Generation Z grew up surrounded with devices with a need to always be online. According to the Nielsen study (2015) 73 percent of Millennials and 72 percent of Generation Z wanted to spend more money on sustainable products. In addition, the IBM Corporation study (2020: 8) shows that Millennials and Generation Z consumers are keener on renting products instead of buying them and buying pre-owned, repaired and renewed products than the older generations. They also find it more important to conduct extensive research on a brand before making a purchase, instead of only trusting the brand. Overall, trust in a brand is important for 84 percent of the repliers in 2020, while in the Nielsen study in 2015, brand trust equalled 62 percent of the influence sustainability has on purchasing decision.

According to a study by Ellen MacArthur Foundation (2017: 18), consumers bought twice as much clothes in 2015 than 15 years before, although they wore them 36 percent fewer times than before (see Appendix 1). This is due to the growing middle-class population and increase in sales per capita, which is “mainly due to the ‘fast fashion’ phenomenon, with quicker turnaround of new styles, increased number of collections offered per year, and – often – lower prices,” (Ellen MacArthur Foundation 2017: 18). Furthermore, greenhouse gas emissions from textile production was 1,2 billion tonnes CO<sub>2</sub> in 2015 according to the report. Hiilamo (2019) points out in her Helsingin Sanomat article that as a result of more consumption, the production of artificial fibres has also doubled over 20 years. However, this has led to a lot of surplus and textile waste, which in turn has affected the profits of many fast fashion companies, such as H&M, whose the net profit decreased from 20 000 million kronor to 12 700 million kronor during the previous four years as they had 40 billion kronor worth of unsold clothes in 2018 (Hiilamo 2019).

According to SB Index AB (2020a; 2020b: 13) the sustainability trend really started in the Nordic countries in 2013, as prior to that people had a different idea of what sustainability entails and did not consider all of its aspects and issues. As the case companies origins, only Sweden and Finland are considered here, however also Denmark, Norway and the Netherlands were surveyed. The SB Index AB (2020a; 2020b: 13-14) results on the changes in the amounts of sustainability discussions and the influence of sustainability in purchasing decisions among Finnish and Swedish consumers over the years 2013-2020 are presented in Figure 8 below.



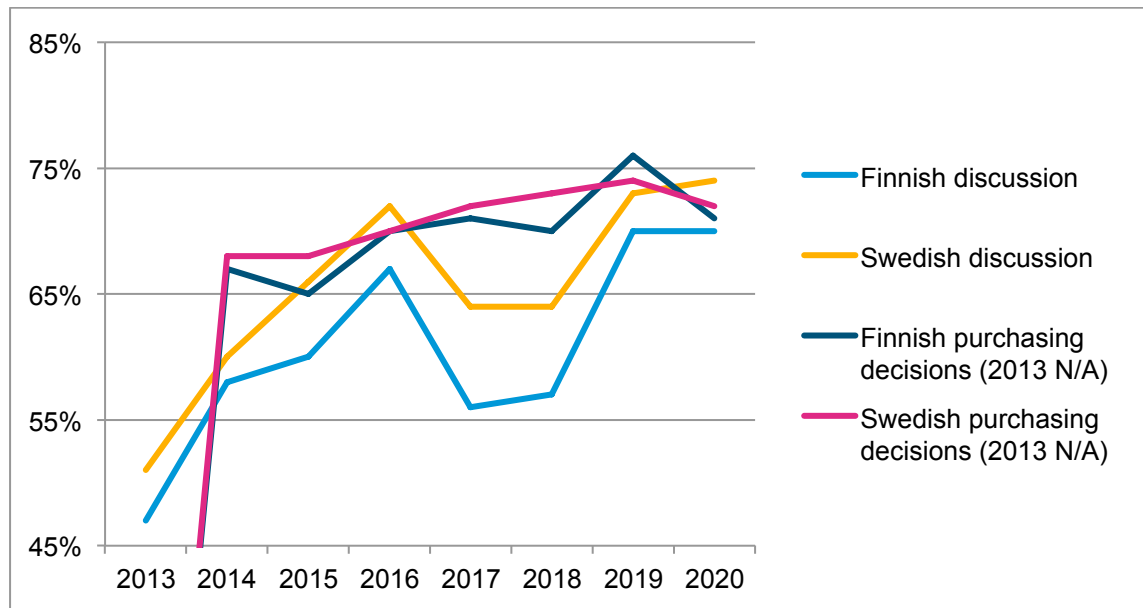


Figure 8. The changes in the amounts of discussions about sustainability & purchasing decisions influenced by sustainability among Finnish & Swedish consumers in 2013-2020 (SB Index AB 2020a; 2020b)

According to the reports by the SB Index AB (2020a; 2020b: 13-14), the results have been affected by diverse macro environmental matters, such as the Paris Climate Meeting in the end of 2015 resulted in an increase on consumer attitudes while big global issues stole attention from climate change discussions in 2017-2018. However, they also state that Greta Thunberg's actions towards climate marches and vast media coverage on climate change increased its attention in 2019. The report states that although both trends are generally growing, the changes are quite small. According to the study on Finnish market, which covered 9480 Finnish consumers between the ages of 16-75, Marimekko was ranked the most sustainable fashion brand in Finland in Sustainable Brand Index and the 30<sup>th</sup> of all 195 the listed brands in 2020, with H&M as the 160<sup>th</sup>. (SB Index AB 2020a: 32) On the Swedish market, H&M is the 87<sup>th</sup> and Monki is the 311<sup>th</sup> of all listed brands, however Marimekko is not on the Swedish list (SB Index AB 2020b: 32). H&M Group has also been ranked highly for example fifth in Fashion Transparency Index and third in the 2019 Sustainable Cotton Index according to their sustainability report (H&M Group 2020e: 8).

However, the companies have also received criticism. Eettisen kaupan puolesta ry (Eetti ry) (2019) ranked Finnish brands according to the criteria of the Dutch survey Rank a Brand. It gave Marimekko 7 out of 34 points and ranked the brand in category



D, which means that the first steps have been taken towards the right direction, however there is still a lot of improvement to do (see Appendix 8). According to it, Marimekko receives points from having 66 percent of its operations in low risk countries and has had long relationships with many of its suppliers. Although 53 percent of the cotton used is BCI-certified, the company does not always imply what portion of the materials used are sustainably sourced. Many of the criteria questions, such as 'Does the brand (owner) publicly commit to a living wage benchmark with defined wages per production region or factory?' are not fully answered on Marimekko's website or reports, as they only state that promoting a living wage is its target (Eetti ry 2019: 38). However, Eetti ry also claims that although many brands have made promises and acted accordingly, they might have not reported the results in the required matter.

H&M Group has also suffered from greenwashing accusations. For example, in 2017 the brand was reported to be burning its unsold clothes after making grand promises about recycling clothing to be used again as raw material (Brodde 2017). According to a Greenpeace blog post written by Kirsten Brodde (2017), 12 tons of clothing has been burned annually in Denmark alone since 2013. In addition, according to Emma Thomasson's article in Reuters (2014), H&M has been one of the biggest buyers of garments in low cost manufacturing countries such as Bangladesh and China, which "has helped H&M build a global empire". After the Rana Plaza accident in Bangladesh in 2013 that killed more than 1100 factory workers, H&M as many other companies that produce clothes in the cheap labour –countries had a decrease in consumers' opinions on their sustainability (Thomasson 2014). Furthermore, Olivia Petter (2020) reported in Independent that H&M has been accused of greenwashing as it is collaborating with Re:newcell, a company which produces Circulose. According to her, the problem is that as H&M makes sustainable clothes, it will increase the idea of H&M as a sustainable company. However, if the company continues to produce as much as it does and consumers continue to buy at the same rate as now, it is not sustainable (Petter 2020).

The transparency of many companies has improved as they have released their supplier information. According to a New York Times article by Elizabeth Paton and Sapna Maheshwari (2019), H&M Group provides its consumers with detailed information about the origin of each item by clicking 'product sustainability' –tab on their website or scanning the product price tag (see Appendix 9). Nevertheless, the consumer will not be informed of the possible negative aspects on the supply chain (Paton & Maheshwari 2019). The need for transparency was realized after the Rana Plaza catastrophe. As

the accident happened, many of the retailers were not sure whether or not the factory had produced their clothing (Paton & Maheshwari 2019). Although H&M and its rivalry Inditex did not have their clothes made in the factory, they also had “plenty of other alleged supply chain abuses” and hence they signed ‘The Accord on Fire and Building Safety’ – a legally binding agreement to prevent safety hazards on the clothing factories. Paton and Maheshwari (2019) state that:

The new “transparency layer” project has been cautiously applauded by some human rights and fashion advocacy groups and union leaders. But many have also said that H&M’s efforts do not go far enough, questioning whether improvements like this are worthwhile if they merely prolong the existence of a system where profits and shareholder interests are continually placed ahead of employees, suppliers and the environment.

Although it is an improvement to publish data and report it accordingly, the long run – impact of the brands must be taken into account. In addition, the head of sustainability at H&M Group, Anna Gedda, says that consumer behaviour is still not always consistent with the sustainability trend and that it is difficult to determine how much do they want to know about the product (Paton & Maheshwari 2019). However, Gedda has also stated that H&M’s consumers have always been interested in the Conscious Collection and that she knows there is interest for sustainable materials in all the clothes they are offering (Samaha 2018). Marimekko’s transparency has also improved, and they for example took part in the Fashion Revolution’s ‘Who makes my clothes?’ –movement on their social media as a means to enhance transparency (see Appendix 10) (Marimekko Corporation 2020: 75). In addition, they have established transparency targets, which include raw materials, careful supplier selection and promoting human rights, living wage, empowerment and safety throughout their supply chain.

#### 4.3.1 Hypothesis 2

The unsold clothes and increased awareness refer to a shift in consumer opinions towards a future where consumers buy less in general (Pitcher 2019). According to the studies conducted by Nielsen (2015) and IBM Corporation (2020), the younger generations are especially interested in the impacts of their purchasing behaviour on the environment, although it should be noted that some of them might not yet have disposable income. However, the amounts produced have also increased due to the growing de-

mand and increased buying, as indicated by the Ellen MacArthur Foundation (2017) study (see Appendix 1).

Thus, Hypothesis 2 (see page 19) could be seen supported as consumers are demanding more sustainable actions, trustworthiness and transparency (Nielsen 2015, IBM Corporation 2020; SB Index AB 2020a; 2020b). A majority of the surveyed consumers said to be willing to pay more for sustainability, cleanness, however also due to other reasons such as wellness and health benefits and simplifying products (IBM Corporation 2020). In addition, 84 percent stated trust in the company to be an important aspect, and as the consumers constantly search for information to support the brand promises, the brands need to make sure that the image is reinforced constantly as well (IBM Corporation 2020). The case companies' actions also support the hypothesis as both of the companies are enhancing their trustworthiness and transparency by their sustainability reporting, collaborations and external recognitions.

#### 4.4 Case companies and sustainable brand image

Brand knowledge stems from brand awareness and brand image as was presented by Keller (2008: 47) in his associative network memory –model in Figure 5 (see page 13). The case companies' brand awareness depend a lot on the audience, as both H&M Group and Marimekko have high brand recall and are recognised in Finland, yet Marimekko is not so well known abroad. In addition, H&M Group's other brands than H&M are not recognised worldwide and many do not know them to be a part of H&M Group (Hanbury 2019). As stated earlier, H&M Group has had to change its brand image quite fundamentally, whereas Marimekko has remained true to its origin while also going through with changing its image to more commercial.

H&M is the first and most well known brand of H&M Group, which is why it is evaluated here. In 2016 H&M Group launched "The H&M Way", which states the company's values and a framework of everything they do. They emphasise their values as 'the H&M spirit' that include believing in people, being one team, constantly improving, being straightforward and open-minded, having entrepreneurial spirit, keeping it simple, being cost-conscious, and having sustainability as a part of everything they do (H&M Group 2016: 5). Keller's CBBE model presented before in Figure 4 (see page 12) is applied to H&M as shown below in Figure 9. It describes from the bottom up what the

brand is offering, how does it build brand meaning through brand associations, how does it respond to the consumer wants, feelings and judgements and finally how it builds a meaningful relationship with its consumers.

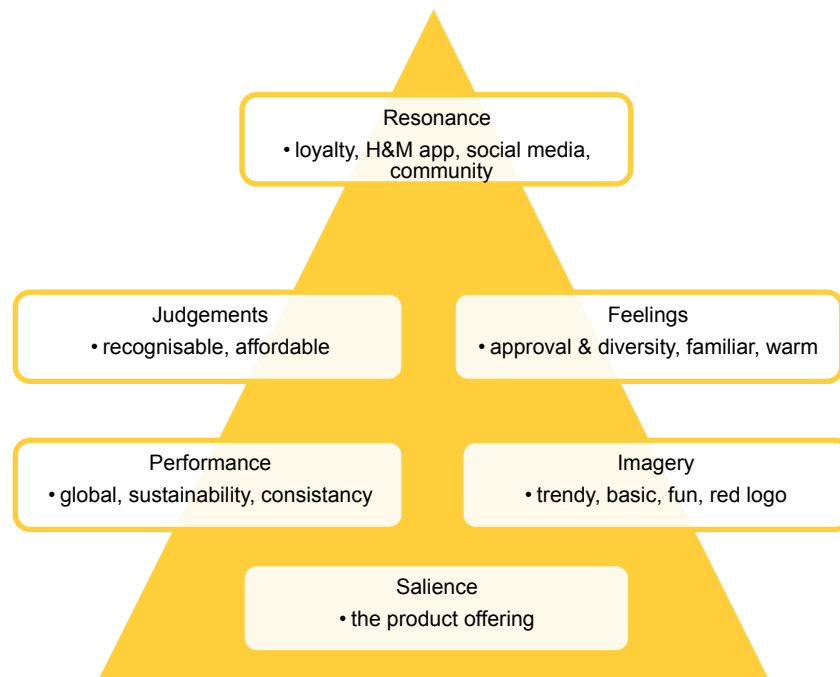


Figure 9. H&M customer-based brand equity

H&M is known globally and one can find a shop in almost any big city selling similar clothing, thus it feels familiar and is consistent. The image of H&M is fun, trendy and basic in a way that one can find all the basic clothing there. H&M has invested in making the brand seem united, warm, and approval of anyone (H&M Group, 2016). The brand is recognisable with its big red logo, and always provides the same, affordable prices. They have a loyalty club, which can be accessed via the H&M app, where they offer personalised information and recommendations. In addition, they are active on social media and promote community of their consumers for example by sharing their consumers' Instagram posts on their account. According to Statista (2017), H&M was the fifth most followed fashion brand on Instagram in 2017 with 23.9 million followers.

Marimekko's CBBE –model is presented below in Figure 10. Their imagery includes colourful prints and patterns, which the brand is known for. The brand has an emphasis on making timeless and durable products that are sustainable and unique. Their pat-

terns, such as Unikko, are recognizable and represent their values, for example Tasaraita –pattern has been included in the Pride –movement with a slogan “Even stripes for equality” and in collaboration with Plan International to support children’s rights and equality for girls (see Appendix 11) (Marimekko 2019d; 2019b). Marimekko has had a very strong brand image throughout their history in Finland, and they have relied on strong value-based communication of their timeless, bold, and authentic designs (Alahuhta-Kasko 2019). As well as H&M, Marimekko has a loyalty club, however it is accessed via email. Marimekko also uses social media to encourage its customers to communicate with it and shares user-generated content using a hashtag #boldbynature to also emphasise the feelings of the brand.

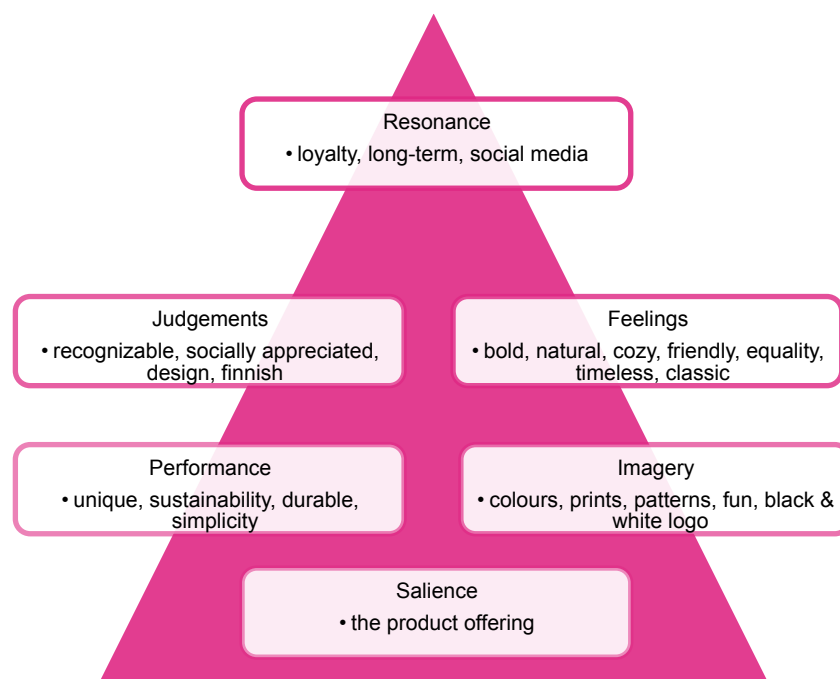


Figure 10. Marimekko customer-based brand equity

Campher (2014) presented the brand impacts as disruptive, engaging and incremental as discussed in chapter 2.4. H&M as well as the other brands of H&M Group have very distinctive imagery, for example H&M advertising videos usually include young, happy people in colourful clothes or surroundings, while COS has often a clear background and more serious models to accompany the plain, yet functional and considered design, for example as on their spring/summer 2020 ad (COS 2020) on their new collection that could be described as an incremental ad as it is so elegantly expressionless, however it may also be disruptive as it is different from the others and thus may stand

out (see Appendix 12). The H&M (2020b) advertisement video presents Circulose, a material that is recycled from the cellulose of old clothes (see Appendix 12). On one hand, the ad could be described as engaging, as it aims in changing the brand's image from being harmful to the environment to being a change for better, for example stating in block letters the words 'RECYCLED' and 'RECYCLE'. On the other hand, the ad could be seen disruptive, as in the end of the video they state that the material is available for all brands, "Let's Change Fashion". Arguably H&M is trying to emphasize that they are the change and have the solution for the problems that fashion industry is causing, and if all brands only wanted, they could use it too.

Marimekko's advertisements are also distinctive, as the ads are usually colourful, models are naturally styled and the emphasis is on empowering women and nature. Their spring/summer 2020 collection (Marimekko 2020g) is inspired by flowers and nature, with women in the new dresses posing with make-up free –looking faces and serious expressions in flower fields (see Appendix 13). The ads could be seen as showing the empowerment of women, which can be seen disruptive, as well making people long for summer days to engage the audience. In addition, Marimekko released an ad for the spring/summer collection of Marimekko Kioski, the brand's collection for a younger audience, in March 2020 (see Appendix 13). The ad includes four young aspiring models and influencers who are named in the biography with the line "Living, not pretending," which is also the brand's core value (Marimekko 2020f; Marimekko 2020c), in order to create a warm, friendly feeling. They are having fun together, and could be seen engaging the audience to feel like they are part of the group.

Keller (2000) listed attributes strong brands usually have (see chapter 2.4). H&M Group's brands and Marimekko have rather distinctive, unique images. Although H&M is still seen as a fast fashion brand, for example COS and & Other Stories can be seen more high-end than fast fashion. In addition, both case companies have been acknowledged for their attempts to be more sustainable (H&M Group 2020e; SB Index AB 2020a; SB Index AB 2020b). Both brands are aiming to be relevant, as H&M Group is shedding its fast fashion –stigma and Marimekko is becoming modern and youthful while remaining true to its values. H&M Group's brands have different pricing strategies, however most of the brands are known for their cheap prices, such as H&M. The head of sustainability at the time, now CEO, Helena Helmersson justified the brand's low prices stating low prices do not mean low working conditions, and that they will not

raise their prices (Thomasson 2014). Marimekko, as stated before (see page 25), has higher prices to indicate a more high-end quality and durability.

Although H&M Group is positioned amongst the fast fashion industry, it is, as stated by Anna Gedda, the head of sustainability (Samaha 2018), differentiating itself to be the pioneer of sustainability amongst the other low cost –brands, while matching the cheap price. Marimekko differentiates itself in Finland from its foreign competitors such as Swedish Filippa K as a domestic brand that has its heart in its fabric-printing factory in Helsinki, from Finnish competitors such as Imana Helsinki as a more commercial and known brand and in the Asian markets by being a high-end brand from Finland, where quality is known to be highly valued. The brands are consistent with their messaging, although Marimekko has slightly different strategies for different markets as discussed earlier (see pages 24 & 32). Unlike the brand portfolio of H&M Group, Marimekko has different offerings that all operate under the same brand name. H&M Group have separated their conscious collections as their own product lines, which is explained by Gedda as those are the forefronts of the company's sustainability work that are aimed to move the development and innovation toward more sustainable (Samaha 2018).

Keller (2000) also determined that strong brands teams work together, so that marketing and managing is in line with the operations and vice versa. Both Marimekko and H&M Group have diverse multichannel advertising, which communicates the brands' values as noticed before in this chapter. In addition, different promotions are accessible through for example H&M's app and Marimekko's email newsletters. Both companies also utilize social media as a means to provide open communication and share user-generated content as well as utilize influencer marketing. The companies CEOs are both quite recently appointed to the job and both have strong opinions on the company strategies as well as believe that the brand needs to invest in sustainable ideologies, innovations and collaborations.

Ottman (2011) pointed out that sustainability promises must be secondary to other benefits of the products, and while Campher (2014) emphasized the need for sustainability to be in the core of the values, he also claimed that the same rules apply to sustainable as normal brands. Both of them, as well as Burmann et al. (2017) and Ha (2020), agreed that trust and credibility in the promises is the most crucial factor for a sustainable brand to achieve an authentic image. The case companies' brand image, brand promises, and trustworthiness have been discussed throughout the chapter. The



brands are promising sustainability through their value chain improvements, supplier selections and audits, sustainability strategies, innovations on materials and production as well as providing care tips and products to lengthen the product life. The value propositions of the companies are as following, with both companies' separate core values presented in the beginning of the chapter.

The value proposition of H&M Group (2020b) is:

We are a family of brands driven by our desire to make great design available to everyone in a sustainable way. Together we offer fashion, design and services, that enable people to be inspired and to express their own personal style, making it easier to live in a more circular way.

The value proposition of Marimekko (2020c) is:

Marimekko is a Finnish lifestyle design company renowned for its original prints and colours. The company's product portfolio includes high-quality clothing, bags and accessories as well as home décor items ranging from textiles to tableware.

H&M Group has promised to use only sustainably sourced cotton by 2020, only sustainably sourced or recycled materials by 2030 and 100 percent climate positive by 2040 (Samaha 2018). However, they also made a promise in 2013 to ensure a living wage for their 850 000 textile workers to be met by 2018, yet did not succeed in fulfilling the promise and has been criticized by the Clean Clothes Campaign (Paton & Maheshwari 2019) and Eetti ry in Finland (Himma 2019). Marimekko has committed to a new sustainability strategy 2020-2025, which will be released later in 2020 (Marimekko Corporation 2020). The current sustainability strategy for 2016-2020 focused on five sustainability commitments: timeless, long-lasting and functional products; inspiring and engaging staff and customers; promoting responsible practices in their supply chain; resource efficiency and caring for environment and providing an inspiring and responsible workplace. They also evaluated whether progress was made according to plan, made at all or if the target was not reached (Marimekko 2019a).

Both case companies are moving towards more sustainable operations, however in order for the companies to be seen authentically sustainable, they would need to make shifts in their strategies. Both companies are still aiming to expand, grow and reach new markets. On one hand, for H&M Group, which already is the world's second larg-



est fashion retailer, it seems controversial to want to expand even more and still make promises for being environmental and becoming 100 percent sustainable. On the other hand, Marimekko is rather small compared to many fashion companies. Their new strategy also includes focus on more internalization and expansion, commercialization and cost-efficiency, which at its worst could mean that as Marimekko is growing to be a bigger, more global company, meaning its production, emissions and waste will also grow. Marimekko would also need to report its sustainability in a more transparent manner. However, providing sustainable fashion and solutions to make the industry less polluting, water consuming and wasteful is a change for better.

All in all, Marimekko could be seen as a having a truly sustainable brand image, as long as it keeps its expansion to a sensible manner and does not risk its sustainability. H&M Group can be seen as a driver for sustainability for its fellow fast fashion companies. Judging by its rewards and sustainable innovations, it seems as the company is truly trying to enhance its image. However, as long as it is a vast company that produces billions of items annually, becoming truly sustainable would need greater operational and strategic changes. This will be further discussed in the conclusion, which presents the key findings of the thesis, its limitations and future research opportunities.

## 5 Conclusion

The case companies both have sustainability as a core value and their strategies imply that sustainability is an important value to reflect on all company operations, actions and communications as was suggested in Hypothesis 1 (see pages 19 & 30). In addition, it was found out that as consumers are demanding more transparency as a means to prevent greenwashing, companies have responded to it by releasing sustainability reports. The socio-cultural pressure to be honest about operations, governmental regulations and competitors sustainability agendas have all influenced in the companies' increased focus on sustainability. Furthermore, Hypothesis 2 (see pages 19 & 37-38) was supported by the increases in awareness, discussions and more sustainable purchasing behaviour as discovered by the studies in chapter 4.3. The studies also supported the need for trustworthiness in the brand promises as a cornerstone for building an authentic sustainable brand.

Both H&M Group and Marimekko have strong brand images, which is crucial in order to have trust in the brand whether or not it is associated with sustainability. As discussed in the previous chapter, H&M Group is known globally, however has had difficulties changing its fast fashion image into a more sustainable one, while Marimekko has a strong and trusted sustainable brand image domestically. The companies have both gained a loyal customer base, invested money on engaging advertisement and social media presence, and gained approval and recognitions on their sustainable actions, aspects that all enhance trust. Finally, H&M Group is found a possible encourager for other fast fashion companies to change their operations into more sustainable ones, however the problems with not being able to meet their promises and vast production amounts decrease the brand's sustainability. Marimekko is found a potential authentic sustainable brand, as although it has also received some criticism, it is moving to the right direction in many aspects and its core values suggest a respect for nature and durability and timeless design as the key to sustainable products.

The limitations of the thesis include the fact that merely secondary data was used. In order to improve the study, interviews of the case companies' employees and the employees of their sub-contractors could have been conducted. In addition, more academic sources and researches could have been evaluated. As the subject of sustainable branding is extensive, a narrower point of view might have allowed the research to be

more focused. However, as the limitations on page 20 suggest, the limited time, resources and breadth of a bachelor's thesis have an impact on how comprehensive the research could have been. Nonetheless, the research was conducted thoroughly and by using reliable and valid sources as well as a critical view on the case companies' own publications.

The fashion industry is going through major changes due to growing awareness, request for transparency and an overall change in attitudes towards consumption. As especially the younger generation is gaining more and more awareness, they are criticizing the fashion industry in general. They are demanding less production and consumption instead of just greener operations. Although it is a positive change to enhance transparency by publishing supplier information, innovate new sustainable materials and encourage customers to reuse and recycle, it does not remove the fashion industry's problems of overproducing and over consumption. Further research could be conducted on how much do sustainability enhancements actually reduce the impacts on the environment, how much greenwashing is behind brand promises in reality, what measurements should be taken to make fashion industry more sustainable and how much of the responsibility lies within marketing.

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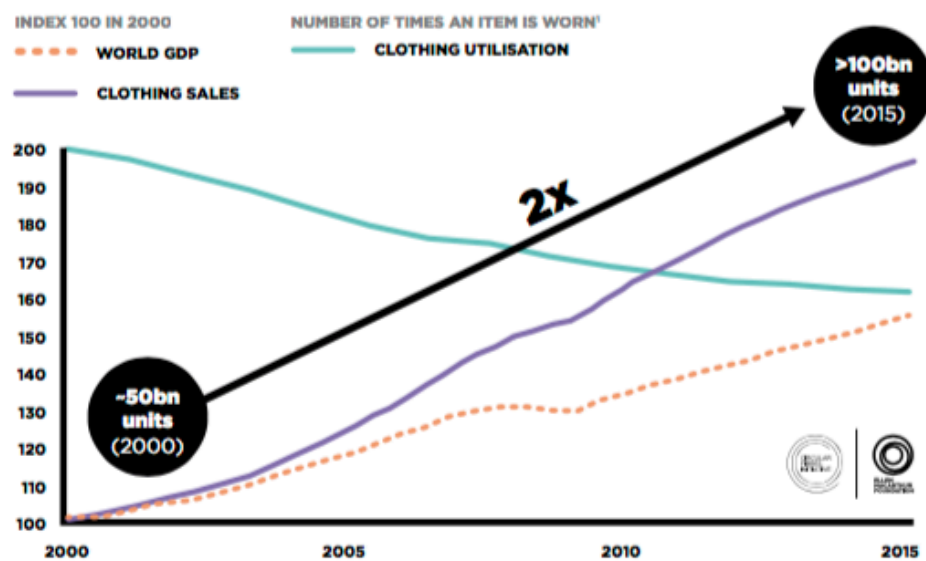
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## Appendix 1. Growth of clothing sales and decline in clothing utilization

The Ellen MacArthur Foundation's report on clothing and textiles systems indicate a growth in clothing sales while the utilization is declining in 2000-2015 (Ellen MacArthur Foundation 2017).



<sup>1</sup> Average number of times a garment is worn before it ceases to be used

**Source:** Euromonitor International Apparel & Footwear 2016 Edition (volume sales trends 2005-2015); World Bank, *World development indicators - GD* (2017)

## Appendix 2. Case company introduction: H&M Group

H&M Group's story began from a womenswear store called 'Hennes', Swedish for 'Hers', which was opened in Västerås, Sweden in 1947 by a Swedish entrepreneur Erling Persson (H&M Group 2020a). The company was renamed Hennes & Mauritz, as a hunting apparel and fishing equipment retailer Mauritz Widforss was acquired in 1968. Since then, the company expands its clothes offering for men and children in addition to women. Now, the company offering also includes accessories, beauty products and homeware.

In 1974, Hennes & Mauritz stores were rebranded, using the abbreviation H&M. Erling Persson's son Stefan Persson becomes the CEO in 1982. Rolf Eriksen is appointed CEO in 2000, followed by Karl-Johan Persson in 2009, continuing in the Persson family business. (H&M Group 2020a) In 2020, Helena Helmersson is appointed the company's first female CEO with an emphasis on sustainability while also promoting growth and extension (Ringstrom & Ahlander 2020).

H&M's internalisation has been rapid, starting in the 1960's from Norway, Denmark, UK and Switzerland, and beginning a quicker global expansion in the 1980's. The first store outside of Europe was opened in New York in 2000. The company also started offering online shopping already in 1998 (H&M Group 2020a).

Today, H&M Group consists of nine brands, which have been added to the company as new brands or through purchase of others. In 2007, H&M Group opened COS, followed by Weekday, Monki and Cheap Monday through a purchase of FaBric Scandinavien AB. & Other Stories was launched in 2013, ARKET in 2017 and Afound in 2018. In addition, they have introduced Sellpy, an e-commerce platform for second hand fashion, which H&M Group is the main owner since 2019 (H&M 2020a).

H&M Group's values include the following: we are one team, we believe in people, entrepreneurial spirit, constant improvement, cost-conscious, straightforward and open-minded, and keep it simple. The company's mission is "— to make great design available for everyone in a sustainable way," (H&M Group 2020b). They also have promised to become 100 percent climate positive by 2040 (Samaha 2018).

### Appendix 3. Case company introduction: Marimekko

Marimekko (Mari dress) was founded in 1951 by Armi Ratia (Marimekko 2020e). The company originates from Printex, a textile printing company owned by Viljo Ratia, whose wife Armi wanted young artists to design new patterns for Printex. The design was showcased in a fashion show in Helsinki and turned out to be a big success, leading to Marimekko being registered as a company a few days later. The company's offering includes clothing for women, men and kids, accessories such as bags, textiles, home décor and tableware (Marimekko, 2020a).

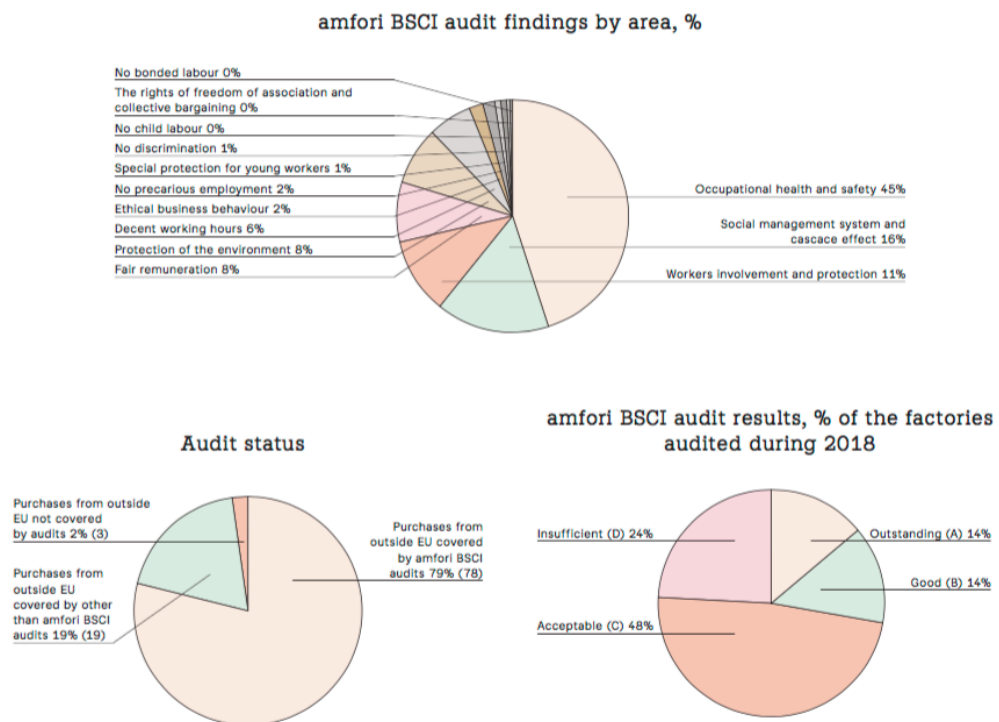
Upon Armi Ratia's death in 1979, the company was left for her heirs, who sold the company to Amer Group in 1985. In 1991, Marimekko was saved after a troublesome time, as Kirsti Paakkanen bought the company and changed the strategy towards a greater growth and profitability. A new President and CEO was introduced in 2008, as Mika Ihamuotila became the majority owner of the company. He was focused in increasing Marimekko's internationalisation. In 2015, Tiina Alahuhta-Kasko was appointed as President and CEO (Marimekko 2020e). Both Ihamuotila and Alahuhta-Kasko have emphasised on globalisation and extension of the company (Marimekko 2020e; Alahuhta-Kasko 2019).

Marimekko began its internationalisation in 1958, as the brand was featured in Brussels World's Fair and included in a collection of a US retailer in 1959. Marimekko's prints were hand printed until 1973, when the company opened the Herttoniemi fabric-printing factory. In 2006 the company expanded to the Asian markets as its first store in Japan was opened. The first shop in China was opened in 2012. Marimekko introduced its online first online store in the US in 2011 (Marimekko 2020e).

Marimekko's core values are the following: living, not pretending, fairness to everyone and everything, common sense, getting things done – together, courage even at the risk of failure, and joy. The brand's purpose is to empower people and bring joy through their bold prints and colors, and vision is to be the world's most inspiring lifestyle design brand. The company promises to provide timeless, durable design for everyone (Marimekko 2020c).

## Appendix 4. Marimekko amfori BSCI supplier audits

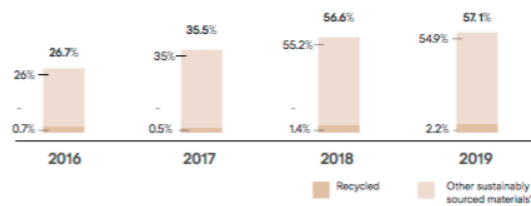
Results from Marimekko's amfori BSCI audit on its suppliers (Marimekko 2019a).



## Appendix 5. H&M Group & Marimekko shares of sustainable materials

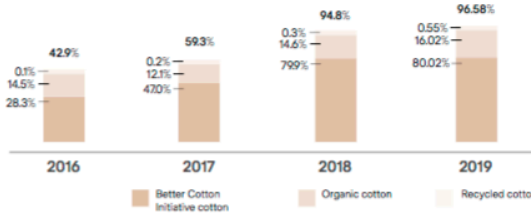
On the left in orange, the shares of sustainably sourced materials used at H&M Group in 2016-2019 (2020e) and on the right in green, the shares of 'Better Cotton' at Marimekko in 2017-2019 (Marimekko Corporation 2020).

% recycled or other sustainably sourced materials



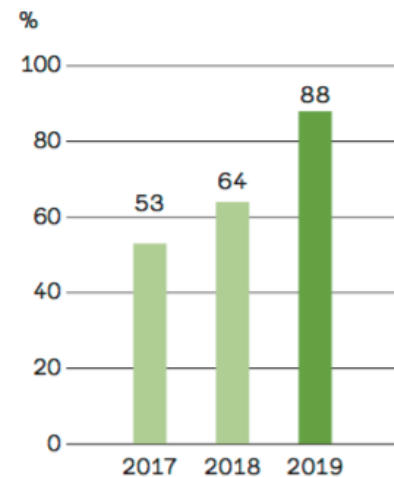
\*Not all sustainably sourced materials can be naturally grown or cultivated i.e. minerals or stones. In these instances, we set up material-specific policies such as the use of external standard schemes to secure sustainable sourcing.

% sustainable cotton, by source\*



\*An independent assurance statement related to this data is provided on page 83.

Share of Better Cotton of total cotton sourcing, target to increase the share



## Appendix 6. Marimekko – Not about trendy fashion

Marimekko's sustainability report 2018 included its founder Armi Ratia's statement about Marimekko not following trends (Marimekko 2019a).

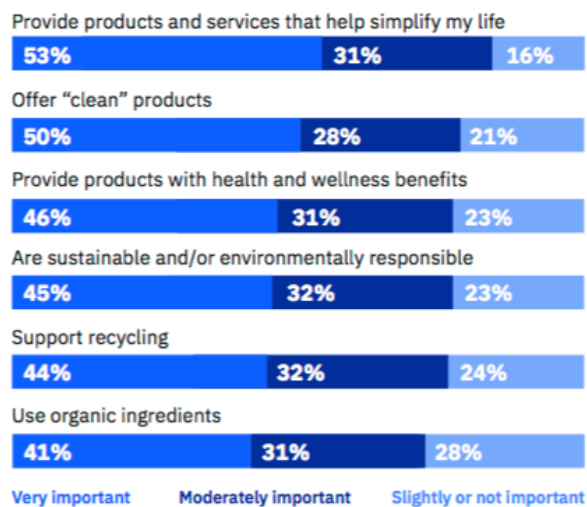


## Appendix 7. Sustainable attributes driving consumer purchasing decisions

The below ratios are reviewing customer behaviour and the attributes that are important drivers in purchasing decisions according to a study by the IBM Corporation in 2020.

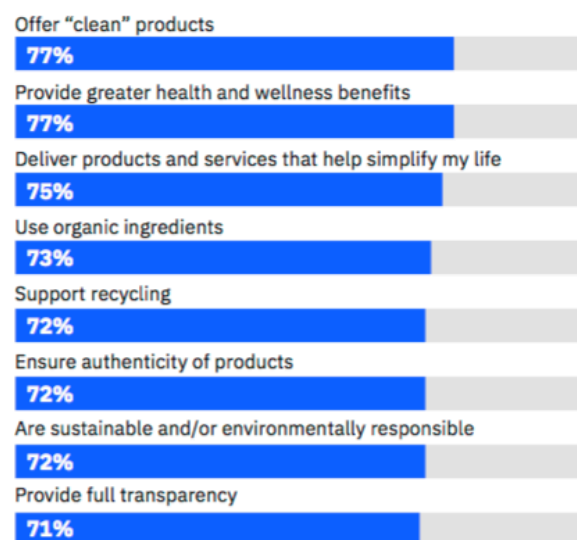
**Figure 3**

Consumers are looking for brands that:



**Figure 4**

For attributes they say are very important to them, consumers are willing to pay a premium for brands that:





## Appendix 8. Marimekko ranked in category D

Eettisen kaupan puolesta ry ranked Marimekko with a result 7 out of 34 and ranking D in its sustainability ranking 2019.

Brand Owner  
Head Office Location  
Brand

Marimekko Corporation  
Helsinki  
Marimekko

marimekko®

Result: 7 out of 34

	Climate/ Carbon Emissions	Answer	Remark	Hyperlink
1	Has the brand (owner) disclosed the annual absolute climate footprint of its 'own operations', and has it accomplished an overall absolute climate footprint reduction compared to the result of the previous reporting year?	?	Marimekko publishes the climate footprint of its own operations for 2017 and 2016, and has reduced its climate footprint for Scope 2 from 341 tons of CO <sub>2</sub> e to 271 tons of CO <sub>2</sub> e. But it is not clear if this is comprehensive since the report says calculation applies to Herttoniemi textile printing factory and properties in Kitee and Sulkava.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 38 and 41
2	Is at least 50% of the electricity used by the brand (company) generated from renewable resources, such as wind or solar energy?	?	Marimekko states that the electricity used by its fabric printing mill and head office was generated from wind power and that biogas is used in its printing factory, but its not clear whether this covers all its energy consumption and if not what is the total percentage share.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 12
3	Is all the electricity used by the brand (company) generated from renewable resources, such as wind or solar energy	?	See remark for Climate/Carbon Emissions Policy question 2.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 12
4	Has the brand (owner) disclosed the annual absolute climate footprint of its supply chain that is 'beyond own operations'?	No	Marimekko has not published any climate footprint of its supply chain from 2017 to 2016	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 38
5	Has the brand (owner) accomplished a reduction of this annual absolute climate footprint 'beyond own operations' compared to the result of the previous reporting year?	No	See remark for Climate/Carbon Emissions Policy question 4	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 38
6	Has the brand (owner) set a target to make at least its own operations fully climate neutral by 2030, and is the brand on track to achieve this target?	?	Marimekko only states that its target is to continuously reduce the carbon footprint of its operations by using renewable energy sources and optimising logistics, but it doesnt mention full climate neutrality.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>



Environment				
1	Does the brand (company) use environmentally 'preferred' raw materials for more than 5% of its volume?	?	Marimekko states that in 2017 6 percent of its textile products were made with "more sustainable materials", but this share includes materials in (MADE-BY) categories A to C, plus other materials, so it is not clear what percentage is materials in categories A and B, which would meet the criteria. Marimekko also mentions that in 2017 the share of Better Cotton (BCI) from total cotton sourcing was 53 percent. However, it is not clear what percentage of the total annual volume this represents.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
2	Does the brand (company) use environmentally 'preferred' raw materials for more than 10% of its volume?	?	Marimekko states that in 2017 the share of Better Cotton (BCI) from total cotton sourcing was 53 percent. However, it is not clear what percentage of the total annual volume this represents.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
3	Does the brand (company) use environmentally 'preferred' raw materials for more than 25% of its volume?	?	See remark for Environment Policy question 2.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
4	Does the brand (company) use environmentally 'preferred' raw materials for more than 50% of its volume?	?	See remark for Environment Policy question 2.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
5	Does the brand (company) use environmentally 'preferred' raw materials for more than 75% of its volume?	?	See remark for Environment Policy question 2.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
6	Does the brand (company) use environmentally 'preferred' raw materials for more than 90% of its volume?	?	See remark for Environment Policy question 2.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 38
7	Is there a policy for the brand (company) to eliminate all hazardous chemicals from the whole lifecycle and all production procedures to make the apparel?	?	Marimekko only mentions the Oeko-tex 100 standard for textiles. This standard is not eligible for this question since it does not cover criteria to chemical use during the production stages.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017</a>

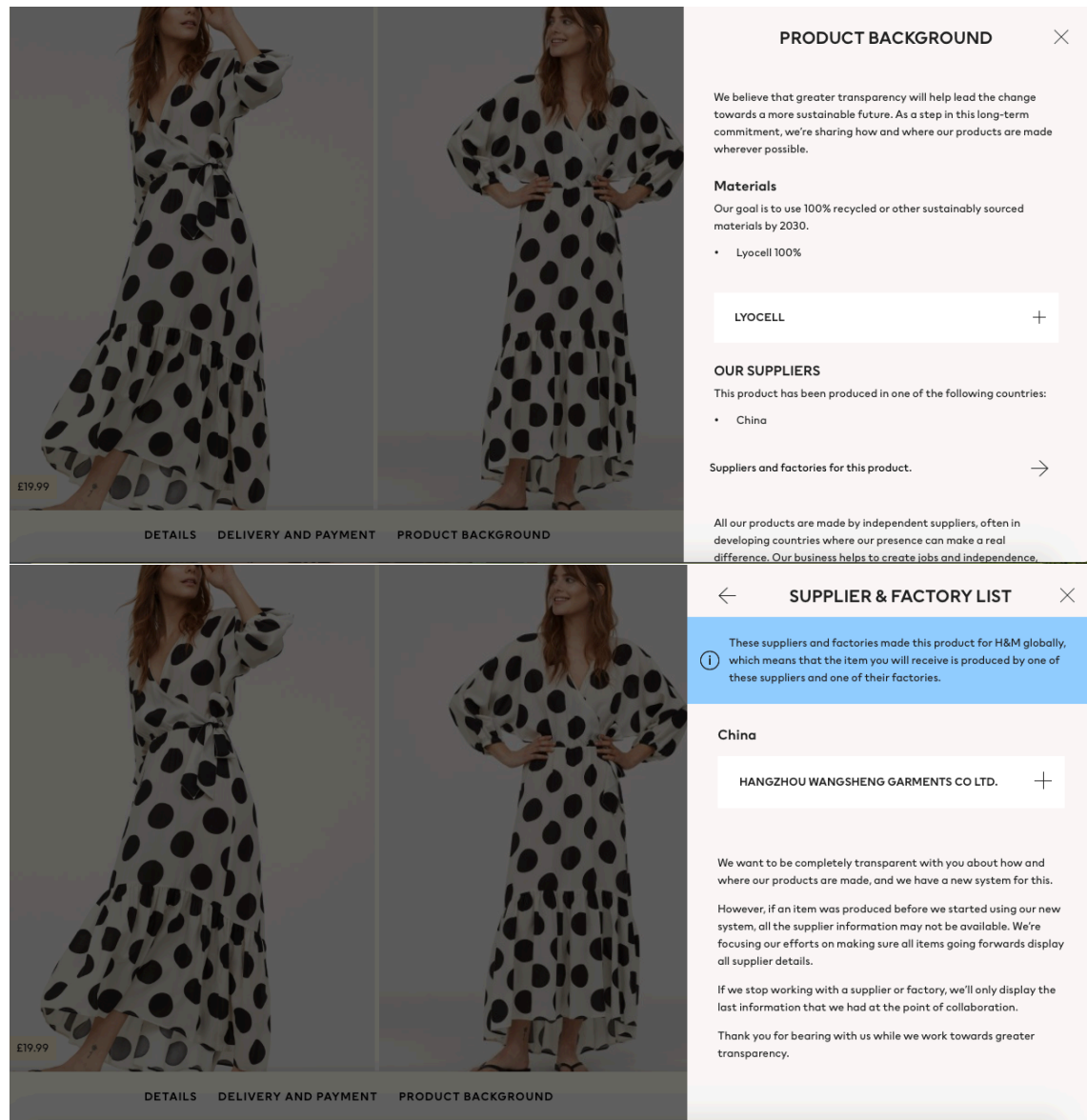
8	Has the brand (company) eliminated at least one suspect chemical group, such as Phthalates or Per fluorinated chemicals from its entire garment production?	?	Marimekko mentions that environmentally harmful perfluorinated hydrocarbons are not used in the finishing processes but it remains unclear whether the target chemical group [Perfluorinated chemicals] can be considered as entirely eliminated from the production of Marimekko's entire garment production.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 38 and 18
9	Has the brand (company) eliminated at least three suspect chemical group, such as Phthalates or Per fluorinated chemicals from its entire garment production?	?	Marimekko only mentions that environmentally harmful perfluorinated hydrocarbons are not used in the finishing processes and does not report whether other chemical groups such as [Phthalates or APEOs*] can be considered as fully eliminated from its entire production.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 38 and 18
10	Does the brand (owner) report what percentage of its shipping packaging and carrier are renewable or made from recycled materials, and does the brand implement best practices or concrete policies which have reduced the environmental impact of these packaging materials?	?	Marimekko mentions, that instead of plastic bags, since early 2016 products in its stores have been mainly placed in paper bags of a material certified by the Forest Stewardship Council (FSC). However, Marimekko does not report the percentage of recycled or renewable materials used for its consumer packaging, nor any annual reductions.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 32
11	Does the brand (owner) publish its absolute waste materials footprint and implement concrete policies to minimize waste, by reducing, re-using and recycling, thereby decreasing its waste footprint compared to the previous reporting year?	?	Marimekko states that in 2017, a total of 109 (142) tonnes of waste was generated at its fabric printing factory and head office in Helsinki, which was 23 percent less than in 2016, but this is not the absolute waste footprint as for example the stores are not included in the calculation.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 32
12	Does the brand encourage the return or re-use of garments?	Yes	Marimekko states that it collaborates with the second-hand online store We Started This (WST). During 2017, they arranged several collection events at their stores, and WST set up a pop-up shop in the Marimekko store in the Forum shopping centre for the Helsinki Design Week. Customers could also bring their Marimekko clothes and accessories directly into the pop-up for resale.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 5
<b>Labor conditions / Human rights</b>				
1	Does the brand (owner) have a supplier Code of Conduct (CoC) which includes all the basic standards to ensure workers' rights such as no child labour, no bonded labour, a safe workplace and no excessive overwork? And is there at least a progress report once every two years on implementation of this Code of Conduct?	?	Marimekko has a supplier Code of Conduct (CoC) and is a member of BSCI. In this CoC, all these standards are mentioned. However, Marimekko should be more concrete with the reporting and especially the corrective actions.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>  See link, page 24  <a href="https://company.marimekko.com/en/sustainability/manufacturing/">https://company.marimekko.com/en/sustainability/manufacturing/</a>

2	Does the brand (owner) have a policy to make sure there is a proper grievance mechanism in place for factory workers and are at least 25% of workers informed about their rights regarding this mechanism (e.g. through training)?	?	Marimekko is a member of BSCI in the CoC of which it states that Business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. However, there is no mention about informing the workers about their rights.	See link, page 23 <a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a>
3	Does the brand (owner) have a published list of direct suppliers, that have collectively contributed to more than 90% of the purchase volume?	Yes	Marimekko has published a list of direct suppliers that cover 95% of its total production, effective by March 2019.	<a href="https://company.marimekko.com/wp-content/uploads/2019/03/Supplier-list-on-website-March-2019-FI.pdf">https://company.marimekko.com/wp-content/uploads/2019/03/Supplier-list-on-website-March-2019-FI.pdf</a>
4	Is this supplier list specific? Are e.g. the addresses of direct suppliers included, and/or are the specific products mentioned per factory?	Yes	Marimekko has published a list of its direct suppliers including the full addresses and the beginning of the business relationship.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/Marimekko-suppliers-and-factories-2018.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/Marimekko-suppliers-and-factories-2018.pdf</a>
5	Is the list of direct suppliers extended with suppliers further down the supply chain, with a minimum of 40% more in number compared to the direct suppliers?	?	See remark for labour conditions Policy question 4.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/Marimekko-suppliers-and-factories-2018.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/Marimekko-suppliers-and-factories-2018.pdf</a>
6	Is the brand (owner) a member of a collective initiative that aims to improve labor conditions, in which civil society organizations like NGOs and labor unions have a decisive voice, or does the brand purchase at least 50% from certified manufacturers with improved labor conditions?	?	The company is a member of BSCI but independent civil society organizations do not have a decisive voice in BSCI. Marimekko publishes overall results on BSCI audits.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23
7	Does this initiative require clear minimum performance levels for member brands (i.e. are memberships terminated when brands do not meet the minimum requirements)?	?	See remark for labour conditions Policy question 6	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23
8	Is at least 25% of the total production volume at direct suppliers verified under monitoring?	Yes	66% of Marimekko production volume is made in Finland, Sweden, Estonia, Lithuania and Portugal which are low risk countries.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23

9	Is at least 50% of the total production volume at direct suppliers verified under monitoring?	Yes	See remark for labour conditions Policy question 8.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23
10	Is at least 75% of the total production volume at direct suppliers verified under monitoring?	?	See remark for labour conditions Policy question 8.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23
11	Is at least 95% of the total production volume at direct suppliers verified under monitoring?	?	See remark for labour conditions Policy question 8.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 23
12	Does the brand (owner) annually report on the results of its labor conditions policy for the semi-finished products such as yarns, fabrics and leather, including a reasonable overview of number and region of workplaces covered by the policy in relation to the total production volume?	?	Marimekko does not report clear results of its implemented measures to improve labor conditions at its fabric manufacturers.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 24
13	Does the brand (owner) publicly commit to a living wage benchmark with defined wages per production region or factory?	?	Marimekko states that promoting a living wage is its target but it has not published any commitment to a living wage benchmark.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 12
14	Does the brand (owner) set a target to establish the payment of living wages at its apparel manufacturers, and is the brand on track to achieve this target?	?	Marimekko does not provide concrete information about implemented measures to establish the payment of living wages at its apparel manufacturers.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 12
15	Has the brand (owner) realised payment of living wages for at least 10% of its production volume?	Yes	Marimekko does not provide concrete information about implemented measures to establish the payment of living wages at its apparel manufacturers but 66% of Marimekko production volume is made in Finland, Sweden, Estonia, Lithuania and Portugal which are low risk countries.	<a href="https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf">https://company.marimekko.com/wp-content/uploads/2018/07/MM_SUSTAINABILITY_2017_EN_final.pdf</a> See link, page 12
16	Does the brand (owner) adhere to buying practices that enable living wages and good labour conditions, such as long term relations with factories, and concentrating production at limited number of factories?	Yes	Marimekko reports the duration of business relationships with its suppliers of which the majority (54/ 72) have lasted longer than 5 years.	<a href="https://company.marimekko.com/wp-content/uploads/2019/03/Supplier-list-on-website-March-2019-FI.pdf">https://company.marimekko.com/wp-content/uploads/2019/03/Supplier-list-on-website-March-2019-FI.pdf</a>

## Appendix 9. H&M product background –information online

H&M Group introduced 'Product Background' on their online shop in order to enhance transparency (H&M 2020a).





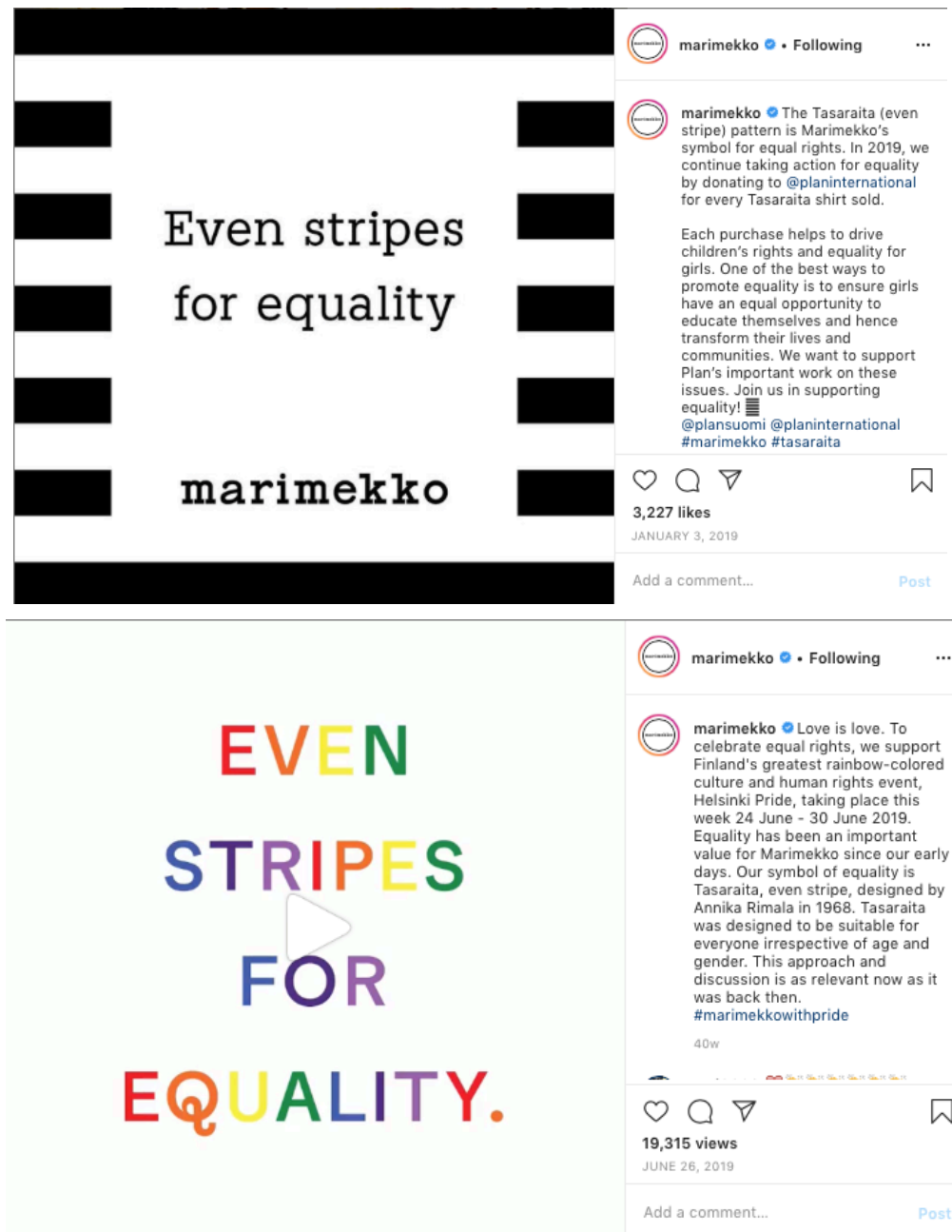
## Appendix 10. Marimekko's participation in Fashion Revolution's 'Who makes my clothes?' –movement

Marimekko participated in Fashion Revolution's movement on supplier transparency on their social media, here on their Instagram Stories, in 2019 (Marimekko 2019c). In the picture is seamstress Lui Sin Ping from Rainbow Handbag Factory Limited in China.



## Appendix 11. Marimekko – Even stripes for equality

In collaboration with Plan International and to support children's rights and equality for girls, Marimekko donated to Plan International for each Tasaraita –shirt sold (Marimekko 2019b). They also have utilised the same idea supporting Helsinki Pride (Marimekko 2019d).



## Appendix 12. H&M and COS advertisements

Above, H&M's YouTube ad about a recycled material they are using (H&M 2020b).

Below, COS's YouTube ad on their new spring/summer collection (COS 2020).



Say hello to Circulose®

3,375 views • Mar 30, 2020

147 0 SHARE SAVE ...



COS | Spring Summer 2020

Unlisted

1,473,142 views • Mar 2, 2020

3 0 SHARE SAVE ...



### Appendix 13. Marimekko advertisements

Above, Marimekko Kioski YouTube ad for their spring/summer collection 2020 for a younger audience (Marimekko 2020f). Below, Marimekko's Instagram photo of the spring/summer collection 2020 (Marimekko 2020g).



Marimekko Kioski – Spring Summer 2020 Edition

1,814 views • Mar 3, 2020

21 0 SHARE SAVE ...



marimekko • Follow ...

marimekko The weekend calls for comfortable yet stylish dresses in vibrant flowery prints. These dresses from the Marimekko design archives bring us joy. The kimono-sleeved Maininki dress, the pleated Viserrys skirt and the Lepatus tunic are all treasures from the 1970s that we decided to bring back for our Spring/Summer 2020 collection. Explore at [marimekko.com](https://marimekko.com). #marimekko

1w



ariaashares 👍👍



8,040 likes

MARCH 29

Log in to like or comment.